Daily Report

East Europe

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FBIS-EEU-95-061 *30 March 1995*

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NOTICE TO READERS: This volume contains a representative selection of material previously disseminated in softcopy format.

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Prime Minister Interviewed on Economic Situation

MS3003092495 London THE EUROPEAN in English 31 Mar-6 Apr 95 p 4

[Report on interview with Albanian Prime Minister Aleksander Meksi by Julie Read in London; date not given]

[FBIS Transcribed Text] Albanian Prime Minister Aleksander Meksi is in buoyant mood. For the first time since the fall of communism his country's prospects look a little better than hopeless. Neighbouring Greece appears to be in conciliatory mood and western investors are beginning to show interest in what remains Europe's poorest country.

A historian and archaeologist, Meksi was in London to woo a consortium interested in Albania's copper and chrome, and to promote a project close to his heart—the Anglo-Albanian Butrint Foundation, which is uncovering ancient riches on the coast at Butrint, at Albania's southernmost tip.

An upturn in relations with one of Albania's most troublesome neighbours has given him a new sense of optimism, albeit a cautious one. "Greece has finally given us the backing to apply to the European Union," he told THE EUROPEAN.

Albania is hoping to achieve associate status—the same as that offered to several former Soviet satellites, including Poland, Hungary and Romania—as a prelude to eventual full membership.

Meksi, 66, welcomed the recent thaw in Athens. "I think the desire is there on both sides of the fence for improved relations. We are setting up a joint bilateral committee on the border this month to oversee Albanian immigrants in Greece and the sizeable Greek minority in southern Albania."

He hopes that the improvement will help put an end to an unhappy spell in relations, marred by border shootings, spying, and allegations of abuse against religious and ethnic minorities on both sides.

Greece holds the key to Albania's return to the European fold. But, as Meksi explained, ties go even further. "As the EU's only Balkan member, Greece is Albania's vital link to the West.

"Good relations with Greece are essential because so many of our people earn their livelihoods there and they need to be able to bring the money back."

Manpower is Albania's most valuable export, bringing in an estimated $200 million in 1993 alone—a figure equivalent to 18 per cent of GDP.

If all goes to plan, Tirana and Athens will sign a friendship agreement this year, and while Meksi confesses quietly that he does not yet know what this will mean, it appears to be a good opportunity to push for eventual EU membership.

Tirana hopes to draft an application within the next few months. "Now that we have Greek support we must sound out the other members.

"Having said that," he whispered, "Athens does have a tendency to change its mind."

The Greek government may have helped ease bilateral tensions but it is evident that Albania still has an image problem abroad.

Last weekend a large unruly crowd converged on the United States' embassy in Tirana, prompted by newspaper reports that the US might be prepared to open its doors to Albanian immigrants.

It was just another grim example of how, in a nation where the majority of the population appears to dream of escape, Albanians usually attempt to flee en masse and a reminder that such attempts are almost always marred by violence.

While emigrant workers are a mainstay of the economy, they are also draining Albania of its brain and brawn. With the unemployment rate anywhere between 18 per cent (the official estimate) and 60 per cent (a figure widely touted), the economy is a priority.

In the short term, though, Meksi is likely to be preoccupied with the problems affecting his own Democratic Party after three years in office. Elections are scheduled to take place by March 1996, but recent polls gave the Democrats just 27 per cent of the vote, well behind the Socialists (ex-communists) on 36 per cent.

"There is no real chance of the Socialists winning," warned Meksi, "but if they did, Albania would step back 30 years overnight, and no one wants that."

Over the past year President Sali Berisha has been the target of criticism for his "autocratic" style of leadership, reminiscent of Enver Hoxha, the communist dictator whose iron fist gripped the country for more than 40 years.

It is up to Meksi to navigate through the storm ahead but his chances are slim. Critics charge that he is a puppet premier: a Mr Nice to Berisha's Mr Nasty.

Meksi dismisses criticism of Berisha, citing statistics memorised from a 1994 Eurobarometer opinion poll: "More than 60 per cent (of Albanians) are committed to the democratic process and 60 per cent said they were better off than three years ago..."

But he chooses to overlook the 68 per cent who expressed dissatisfaction with the pace of democracy, or the 43 per cent who criticised the lack of respect for human rights.

The Democrats have pledged to open the secret files of any candidate for public office—at the end of the century. Many have been tampered with or destroyed, but Meksi may find that unlike at Butrint with its gems, his officials uncover only rather ugly truths.

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Minister Dismisses Regional Security Chiefs

AU2903202695 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 29 Mar 95

[FBIS Translated Text] Lyubomir Nachev, minister of internal affairs, has submitted to the government a draft decision on proposing to President Zhelyu Zhelev to dismiss Colonel Stefan Dimitrov, director of the National Security Service, from his post.

The minister has issued an order according to which the chiefs of the regional directorates of the Ministry of Interior in Sofia, Burgas, and Ruse—Major Velichko Velichkov, Colonel Strati Georgiev, and Colonel Yordan Krustev, respectively—have been dismissed from their posts. The names of the new chiefs in Sofia, Burgas, and Ruse are, respectively, Colonel Mitko Nedyalkov, Lieutenant Colonel Agir Boyadzhiev, and Colonel Aleksandur Stefanov.

Council Seeks To Dismiss Service Chief

AU2903161395 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 29 Mar 95

[FBIS Translated Text] With 14 votes in favor, four against, and two abstentions, the Supreme Judicial Council has decided to propose to the president to dismiss Ani Kruleva from her post as director of the National Investigation Service.

According to the decision, Mrs. Kruleva should be dismissed from the post because she does not have the necessary professional qualifications.

BSP Reportedly 'Foiled' Coup Against Ganchev

AU2903105895 Sofia 24 CHASA in Bulgarian 24 Mar 95 p 10

[Article by Georgi Kadiev: "Bulgarian Socialist Party Foiled Coup Against Ganchev for Its Own Reasons"]

[FBIS Translated Text] Bulgaria, God, and the Bulgarian Business Bloc [BBB] were the three reliable partners of the Bulgarian Socialist Party [BSP] until 24 hours ago, when the rumble of discontent began against George Ganchev.

Three BBB deputies, dissatisfied with George's authoritarian manner, announced they were leaving the BBB. It was a classic coup, a lightning strike planned in secret while the chief accused, George Ganchev, was out of the country. Judging from their arguments, the three had good justification. George indeed listens to no one but himself, talks with whomever he likes on behalf of the BBB, and rewards only his obedient minions by giving them posts and commissions. Accordingly, it is no wonder that the three deputies rose up in revolt. They are all millionaires and are not accustomed to obeying orders and submitting to party discipline.

The coup would undoubtedly have succeeded if the BSP [Bulgarian Socialist Party] had not intervened in the persons of Blagovest Sendov and Krasimir Premyanov. The former twice invited the three to meetings to explain to them that the scandal constituted a blow against the left and parliamentarianism. The latter, by a mixture of promises of ambassadorial posts and threats to remove immunity, managed to make seven of the 10 dissident deputies reconsider their actions.

The BSP has at least three well-founded reasons for supporting George. First, what the BSP thinks to itself, George tells the world. He openly condemns "so-and-so from Veselinovo," the Turks of the DPS [Rights and Freedoms Movement], the agent Ivan Garelov, and the "good lad" Tatarchev. The second reason is purely sentimental. George won 4 percent of the votes at the elections, but not a single one of these came from the BSP electorate. All were disillusioned former supporters of the SDS [Union of Democratic Forces], and for this reason the SDS cannot stand him. Third, George's people are the only ones left who march in step with the Socialists in parliament. Accordingly, this extends the Socialist's room to maneuver with their own coalition partners from the Aleksandur Stamboliyski Bulgarian National Agrarian Union and the Ecoglasnost Political Club.

However much it may quibble about the fact, the BSP brought trouble down upon its own head with these two parties. They are fickle and obstinate, and lay claim to undeserved independence. They demand, and receive, a deputy prime minister's post—albeit without portfolio—ministerships, and chairmanships of commissions. In return for this, first Slabakov expresses his disagreement with the Dzherman-Skakavitsa water supply project; then Shivarov allegedly takes offense because the Agrarian Atanas Zhelezchev has a more senior post than he; then the Ecoglasnost deputies reportedly disagree with the Socialists' ecological policies. These two parties have a total of eight deputies in the National Assembly. Without them, the BSP would lose its absolute majority in parliament, which enables it to vote through legislation on its own. Because it cannot replace these wayward deputies with eight others, the BSP is looking for a counterweight to them, and it has found one in George Ganchev's 12 deputies. Furthermore, the Reds have the potential of gaining a qualified majority of 160 votes, which will enable them to amend the Constitution, if necessary. Indeed, this will prove necessary if Zhelev continues to obstruct them.

This is why George loves Zhan [Videnov], and Zhan loves George; he will stand by George both now, in the Constitutional Court, and in the future. At least this will be the case until the presidential elections come and one of the two proves to be superfluous.

SDS, People's Union Agree To Cooperate

AU2903161995 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 29 Mar 95

[FBIS Translated Text] On 29 March at the National Assembly a meeting took place between Union of Democratic Forces [SDS] leader Ivan Kostov and Krum

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Slavov, deputy chairman of the SDS National Coordinating Council, on the one hand, and Anastasiya Mozer and Stefan Savov, leaders of the People's Union coalition, on the other.

The two political forces have agreed to begin regular consultations. They have also agreed to close the page of their preelection relations. By this they mean the mutual accusations that they made during the election campaign.

The SDS and the People's Union will turn together to the Supreme Court regarding those parts of the Land Bill amendments that they consider unacceptable.

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Havel Opposes ODA Withdrawal From Coalition

AU2903172095 Prague LIDOVE NOVINY in Czech 22 Mar 95 p 1

[Article by Premysl Svora and Miroslav Kopecky: "Kalvoda Disputes Accusations Against Reichman"]

[FBIS Translated Text] On 17 March, shortly after J. Reichman, head of the Civic Democratic Alliance [ODA] Secretariat, was accused of fraud, ODA Chairman Jan Kalvoda met with President Havel. This information was confirmed yesterday by presidential spokesman Ladislav Spacek.

According to our sources, the topic of discussion was the Castle's tentative reaction to ODA's possible withdrawal from the government coalition. According to a reliable LIDOVE NOVINY source, Vaclav Havel adopted a negative stand regarding this possibility, saying that he would publicly condemn such a step. The president emphasized at the meeting the need to maintain political stability.

Yesterday, presidential spokesman Ladislav Spacek told LIDOVE NOVINY that he is bound by mutual agreement of the two parties involved not to publish the specific items of their discussion. "The only thing one can say about it is that the debate concerned the domestic political situation," Spacek said. "If any such speculation or leak occurred, by confirming or disclaiming your information, I would be violating the agreement," he added. Jan Kalvoda told LIDOVE NOVINY yesterday that he had discussed the situation in the coalition in general with the president and that they had only touched on the investigation of the ODA debt: "Our withdrawal from the coalition was not explicitly and directly mentioned during this meeting."

The ODA Political Council discussed future political activity at Kalvoda's office late into the night yesterday. Here, away from reporters, Kalvoda is supposed to have, among other things, acquainted other members with the reasons for the charges against Reichman. Yesterday he himself declared these reasons completely absurd: "Their case is based on Reichman cheating Mr. Moravec, in complicity with Macek and Moravec. In other words, the culprit cheated himself." The way in which criminal responsibility was constructed allegedly proves that really a lot is possible in this country and does not rule out that the entire investigation is directed against ODA.

Dismissed Officer Warns Against BIS Mistakes

AU2903133495 Prague RUDE PRAVO in Czech 23 Mar 95 p 3

[Article by Vladimir Labuda: "A Dismissed Officer Claims That Mistakes in the BIS Management Could Result in an International Scandal"]

[FBIS Translated Text] An internal information leak has occurred in BIS [Security Information Service], the publication of which could very seriously damage not only our intelligence service and the Czech Government but also the intelligence service and government of a friendly state.

This is the claim of Michal Celechovsky, the BIS officer dismissed by Stanislav Devaty on 13 January for sending a letter to Prime Minister Vaclav Klaus pointing out Devaty's shortcomings in managing BIS. Celechovsky indicated in an interview for RUDE PRAVO that this pertained to information concerning contacts established between the Czech intelligence service and a certain foreign secret service, without approval by the government.

Celechovsky also said that he reported this specific information leak two weeks ago to the parliamentary Commission for the Control of BIS Work. According to Celechovsky, this instance, similar to the Wallis scandal and the bugging of Justice Minister Novak, proves that the methodology of working with classified material, the protection of which is the main objective of BIS work, is completely inadequate within the service itself.

"There are seven BIS members, in addition to me, who are aware of this leak. I have no idea how they will act because the present director and the way he interprets laws create within the service such an atmosphere that none of its members can be certain of his or her existence," said Celechovsky, who received on 27 March from Stanislav Devaty a negative reply to his appeal against the order by which he was dismissed from the service.

"The phrasing of the answer is identical to the formulations used by Minister Igor Nemec, when he answered on 18 January my letter to Prime Minister Klaus, for which I was dismissed. I deduce from this that the minister did not at all examine the contents of my original submission and sent it to Mr. Devaty for his comments. The latter rejected all of my observations referring to his own interpretation of legal regulations, which, according to my submission, have been violated," Celechovsky said.

Nemec, according to Celechovsky, instead of turning to independent legal experts with the question of whether the facts he pointed out are violations of law, sent the submission to Devaty, by which he himself violated the decree that forbids passing the submissions or complaints for processing to the bodies to which they refer.

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Meciar News Conference on First 100 Days

LD2903210195 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1306 GMT 29 Mar 95

[News conference by Slovak Prime Minister Vladimir Meciar and Deputy Prime Minister Katarina Tothova with domestic and foreign correspondents in Bratislava—live]

[FBIS Translated Excerpt] [Unidentified moderator] I shall first ask Vladimir Meciar to summarize briefly the first 100 days in office, and then you can ask him questions.

[Meciar] [Passage omitted] In economic policy, the orientation toward the market economy is being confirmed. The changes to the structure of the economy include new elements—above all, a strengthening of the position of the regions. Success is being achieved in meeting basic macroeconomic targets—for example, inflation for February was only 0.5 percent. There is every indication that the targets for growth that have been set for 1995 will be met and possibly slightly exceeded.

The government's first 100 days have demonstrated its high productivity and openness to cooperation and have proved that, in spite of everything, the government gained international acceptance and recognition as well as similar recognition from within the country.

I believe that all members of the government deserve thanks and recognition of their efforts for the work that they have done over these 100 days.

Ladies and gentlemen, I am ready to take your questions. [passage omitted]

[Dorotkova] I am Jana Dorotkova for "Trend." Mr. Prime Minister, I would like to ask you something about Mochovce [nuclear power plant]. It would appear that your official contacts abroad indicate something slightly different from the impression we have here that the government in fact asked for the loan from the bank to be deferred. I would like to know what changes there might be in the financing of Mochovce as well as in what way EdF [Electricite de France] will be participating in the whole project.

[Meciar] It was the government that preceded us that negotiated the construction of Mochovce, the conditions of construction, and the loans for construction. That is one of the burdens we inherited, and we have to take care of it right at the beginning.

I wish to confirm the decision of the Slovak Government to complete the construction of the Mochovce nuclear power station as soon as possible. I also wish to confirm our intention to carry through our cooperation with Electricite de France, Siemens, and Bayernwerk. Skoda Plzen is entering into cooperation with us, and there will probably also be some Russian companies.

I also wish to confirm that the Slovak Republic will seek a loan from the European Bank for Reconstruction and Development, but we have to look again at some of the conditions of which we have up to now been aware.

Above all, we are unable to raise the price of electricity by 29 percent on 1 April, which was to have been one of the conditions of the talks. That would mean destroying a significant proportion of our small and medium-sized businesses.

We are unable to commit ourselves to closing down Jaslovske Bohunice 1 reactor in 1999 and Jaslovske Bohunice 2 in 2000 without guarantees that the first two Mochovce reactors will be in operation by then. We link the two issues together. [passage omitted]

Mochovce is a purely technical problem. We regret that it has become a political problem. There is at present no alternative in technical or economic terms to Mochovce. We evaluated even those alternatives offered to us by Austria. We are not turning our back on this, and we will continue to discuss these questions with Austrian experts.

[Correspondent] [Words indistinct] from LIDOVE NOVINY. One of the first steps taken by your government was to halt the preliminary round of voucher privatization. I would like to know when voucher privatization will start in Slovakia. The second issue: On 25 and 26 March you spoke several times about your planned meeting with Czech Prime Minister Vaclav Klaus. In response to your reaction to the effect that Slovakia is insulted by Vaclav Havel's statements, Vaclav Klaus yesterday said that he would not be thrown off balance by anybody or anything. Can you tell us something about this meeting with Vaclav Klaus?

[Meciar] The place, the time, and the content of the meeting have not been set and, therefore, I have nothing to comment on.

As for halting privatization, the contrary is true. We have started with privatization, but we have to get it all organized. Previously, there was too much propaganda and too little work. Enterprises that were supposed to form part of the voucher privatization scheme are still owned by the state and have not been transferred to the ownership of the National Assets Fund. We have carried out a check on those possessing vouchers: In 140,000 cases, two or even three vouchers have been issued for the same share. We are checking on the ability of the funds to cope. The idea underlying the investment privatization funds and other funds as such is also being considered. Our experience of these funds is not very good.

The government declares and confirms that the preliminary round of voucher privatization can be opened in June. [passage omitted]

I am therefore not speaking about halting privatization but about implementing individual steps.

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[Correspondent] [Words indistinct], from MLADA FRONTA DNES. My question is regarding to the expected meetings of the prime ministers. [passage omitted] Can you tell us what sort of conciliatory gestures do you expect from the Czech side? You have recently said that you were expecting some.

[Meciar] [Passage omitted] As to the speech of the Czech President about Slovakia—such things are not done. We see the Czech policy as a whole although we understand that, within it, there are subsidiary elements which can behave differently. We, however, react to it in its entirety. [passage omitted]

[Stevcik] I am Stevcik, from PRAVDA. Mr. Prime Minister, when you assessed the first hundred days of this government, you failed to mention—obviously, in an attempt to be diplomatic—the relations between the government and journalists. I would like to know whether, in your opinion, the state of these relations is temporary or permanent, and if it is temporary how long it might last? [passage omitted]

[Meciar] [Passage omitted] As for the relations between the government and journalists, I do not see them as a real problem. The government will do nothing to limit the freedom of speech and it appreciates journalists as a profession. [passage omitted]

[Tothova] I would like to comment on a report that I have read in the press. A number of journalists claimed that they had been denied information about government sessions. This is wrong: information is fully provided. However, the contact between the government members and journalists is suspended while the government is actually in session. In my view it is sensible because it guarantees a smooth, uninterrupted course of the sessions—the interruptions used to slow the meetings down. [passage omitted]

As a deputy prime minister responsible for mass media, I want to assure you all that the government will do its utmost to guarantee the freedom of press and also the freedom of speech—which should apply also to constitutional officials and the members of the government—and will do its utmost to guarantee the objectivity of press.

[Unidentified correspondent] Mr. Prime Minister, you have had plans to visit Poland. What are your intentions about it?

[Meciar] We have agreed with former Prime Minister Pawlak that if the prime ministers do not meet the party chairmen will. The preparations are under way. We have still not contacted the new [Polish] government to arrange a meeting as the government is still adopting itself to the domestic situation. However, as soon as it is feasible, I shall propose to the Polish prime minister that we should hold an informal meeting somewhere in the Tatra mountains, it does not matter on which side. [passage omitted]

[Correspondent] I am from Slovak Television. It has become a tradition that when you are in government, the majority of mass media and journalists in Slovakia will not leave you in peace, even during the first 100 days when it is customary not to interfere. How has the government coped with this, and how does it affect its work and achievements?

[Meciar] Somehow, when I am in government, history is always in the making. [passage omitted] This, naturally, not only divides the citizens but also journalists. Many journalists have been lagging behind events and defending trends that are becoming obsolete. [passage omitted]

The government and the Movement for the Democratic Slovakia [HZDS] is used to working—as it has been the case in last three years—with institutions that are in opposition, yet the government and the HZDS enjoy people's confidence. Our aim is to maintain contact with the people and preserve their confidence. Individual papers are still seeking political orientation. We respect this. We regret that we do not have more supporters, but we are not in a situation that it would worry us or insult us. It is up to people's convictions and consciences what they write or say. As I want to have this right for myself I want it—and will respect it—for everybody else. [passage omitted]

[Correspondent] Slovak Television. [passage omitted] Can you tell us what you expect from your visit to Kiev?

[Meciar] [Passage omitted] Our aim is prepare conditions for the conclusion of agreements on prevention of double taxation, protection of investments, economic cooperation, transport, and other issues. Specific programs have to be agreed upon. Approximately around 11 April a border transit is to open in Ubla, as part of the visit. We are interested in [word indistinct] and agreeing on the conditions of transit.

We are interlinked with Ukraine to such an extent that it is incomprehensible that we were unable, for such a long time, to find a space for interstate, political and economic relations. Therefore the delegation will comprise of top people: the prime minister, deputy prime minister for the economy, all economy ministers, the governor of the bank, and representatives of the most important Slovak firms: chemistry, metallurgy, and some others.

[Question] [Passage omitted] Now a question to Prime Minister: Can you tell us about the state of voucher privatization and how many state enterprises have already been changed into joint-stock companies? [passage omitted]

[Meciar] Assets in the value of 50 billion Slovak crowns are to be privatized. This figure can be changed after the meeting with the Association of Towns and Villages on 31 March when vouchers for water mains and sewage will be discussed. [passage omitted]. The government is to discuss privatization at 0900 next Thursday. [passage omitted]

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[Nagyova] I am Nagyova for Hungarian radio. I would like to ask the prime minister when the government or coalition deputies will initiate a parliamentary debate on the ratification of the Slovak-Hungarian treaty, and also what support he expects in the vote?

[Meciar] I have received an announcement from the Hungarian Government that it aims to have the treaty ratified as soon as possible. In Slovakia we shall likewise take every step to put the treaty before parliament for ratification, but before that there will be a round of political negotiations, ahead of which individual political entities will state their views and say who will do what.

Up to now our coalition partner, the Slovak National Party, has informed us that it will not back the treaty, and so I now have to hold further talks with them. The length of those talks will determine the date on which the treaty will be put before the National Council. I do expect parliament to ratify the treaty.

[Unidentified correspondent] [Words indistinct] Is the Slovak Government considering the option of converting the debts left over from the times of the former federation into the investment of Czech capital in Slovak power production enterprises? The second question: Is it true that at the congress of the Movement for a Democratic Slovakia the issue of Slovakia's neutrality was seriously considered? [passage omitted]

[Meciar] This offer on converting the debts is the worst offer I have ever seen. It was put to me seven times altogether and I said no each time and other members of the government that dealt with this offer said no too. Nobody could have meant it seriously, it must have been a joke, to give two crowns in assets for every invested crown. At the HZDS congress, we were seriously discussing the direction in which the Slovak Republic is moving and our attitude to European integration, as it might be topical as early as next year when we might be asked to take concrete steps. However, we did not discuss this in the sense of moving towards neutrality. We have spoken of neutrality as a principle which is not suitable. [passage omitted]

[Unidentified correspondent] Can you assess the first hundred days of this government in the light of its relations with the president and his office? [passage omitted]

[Meciar] [Passage omitted] The government has no problems in its relations with the office of the president. We have agreed with the president on cooperation: his office can turn to any minister on any issue which citizens raise with the president, everything at the disposal of the ministries is available for helping to deal with these issues. This is a positive development. [passage omitted]

Meciar: Munich Ties Excellent, Bonn Ties Wanting

AU2903161595 Bratislava NARODNA OBRODA in Slovak 24 Mar 95 pp 1, 6

[TASR report: "Prime Minister Meciar Admits Cool Relations With Bonn"]

[FBIS Translated Excerpts] Munich/Bratislava—Slovak Prime Minister Vladimir Meciar returned from his trip to France and Bavaria last night.

The last day of his visit to Munich started with talks with Johann Boehm, chairman of the Bavarian Landtag. Both representatives emphasized the exceptionally good and comprehensive development of cooperation and relations in all fields. [passage omitted]

Vladimir Meciar declared that Slovakia espouses the value system of Western civilization. It perceives European integration as a process and not as an act of political decision. Germany has had exceptional experience with the integration of the new federal laender and is thus in the best position to understand problems associated with this, he said.

The excellent relations between Slovakia and Bavaria and their intensity to a certain degree compensates for insufficient relations with Bonn, the Slovak prime minister stated. [passage omitted]

Vladimir Meciar then visited the head office of the Siemens company where he held talks with Hans von Pieren, president of the Board of Directors. [passage omitted]

France and Germany unequivocally support the domestic and foreign political development of the Slovak Republic in recent years. Among the most important results of the visit to France and Germany are the two countries' support for the completion of the Mochovce nuclear power plant and their very positive reception of the signing of the basic Hungarian-Slovak treaty, Vladimir Meciar said in an interview for Slovak reporters yesterday.

In his opinion, France is once again defining [definuje] its interest in the Central European region. Above all, it wants to reinforce its economic presence, a specific manifestation of which is cooperation with the Electricite de France company in the completion of the Mochovce nuclear power plant. As the prime minister stressed, the French side declared that it would cover the full cost of engineering activities in the completion of Mochovce. This is a specific example of French assistance to the Slovak Republic. The completion of Mochovce is a technical issue and the French and Germans both regretted the politicizing of this issue.

Regarding German-Slovak relations, the prime minister said that almost two-thirds of our exports to Germany go to Bavaria. Not only large companies but also medium-sized firms are interested in getting to our market. In this

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context Slovakia advanced to Bavaria the offer to establish industrial zones in eastern or central Slovakia. [passage omitted]

As for the Hungarian-Slovak treaty signed within the framework of the Conference on the Stability Pact in Paris, Prime Minister Meciar said that, generally speaking, this treaty has resolved nine out of 10 disputed points in Hungarian-Slovak relations. The treaty has introduced the principle of reciprocity regarding the protection of ethnic minority rights in the two countries. It stresses respect for human rights, and any other interpretation of the article referring to the Council of Europe Recommendation 1201 than as protection of basic human rights is erroneous, the Slovak prime minister said.

According to Vladimir Meciar, no great surprises in the international political situation have occurred following the Conference on the Stability Pact. The signing of the Hungarian-Slovak treaty has greatly reduced tension in Central Europe, a fact which the West European great powers receive very favorably. Certain tension in Hungarian-Slovak relations exists, however. According to Vladimir Meciar, first and foremost it is necessary to distinguish between the minority's legitimate claim to protection and separatist aspirations bordering on quest for autonomy.

During the drafting of the Hungarian-Slovak treaty, Slovakia was engaged in continuous consultations with Romania and the Romanian side had been kept informed about individual stages of drafting the treaty, the prime minister said.

[Bratislava NARODNA OBRODA in Slovak on 25 March on page 3 carries a 700-word Ivan Horsky commentary on Prime Minister Meciar's visit to France and Germany entitled "The Prime Minister Admitted Problems in Communication With Bonn." The commentator observes that the "triumph" of Meciar's trip to Bavaria and France, where he signed the Slovak-Hungarian treaty, was "incomplete." Horsky writes in this context: "One thing is missing—an invitation to Bonn, to the chancelior's house on the banks of the Rhine. The prime minister indirectly admitted this fact himself in the Bavarian capital, the place where he probably feels most comfortable in Germany, when he said, according to a TASR report, that 'the excellent relations between Slovakia and Bavaria and their intensity to a certain degree compensate for insufficient relations with Bonn.' To those who are at least a bit familiar with the personal links and interests on the Bratislava-Munich axis cannot be surprised by this statement. It is not new or surprising. Even after the visit of Juraj Schenk, the chief of Slovak diplomacy, official Bonn's attitude toward the Slovak prime minister has been rather cool. And the situation is not a temporary one. According to well-informed circles, Helmut Kohl keeps postponing his meeting with Vladimir Meciar because of the reputation the Slovak prime minister has earned in the world by his past domestic policies. One can only hope that now that the signing of the treaty has improved the prime minister's reputation, the chancellor will find a suitable date in his calendar for the much-coveted invitation to Bonn."]

NATO To Send Armaments Advisers to Republic

LD2903130995 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 29 Mar 95

[FBIS Translated Excerpt] Participants of the conference of national directors in charge of armaments are focusing their attention chiefly on the issues related to armaments production, procurement, and sale. Robin Beard, assistant to the NATO secretary general, is heading a delegation of experts from the United States, France, Great Britain, and the Netherlands. Beard and Jozef Gajdos, state secretary in the Slovak Ministry of Defense, briefed journalists shortly before midday about the events at the conference so far. Our correspondent Miroslav Minar is on the line from the Defense Ministry.

[Minar] NATO is ready to send to the Slovak Republic teams of experts from four countries to deal with the issues of planning, organization, and management of the defense materiel procurement. This is one of the specific results of the conference so far. [passage omitted]

Gajdos said that the Slovak side would welcome cooperation in tackling issues such as the system of planning military materiel procurement, the implementation of the armament program, the structure of obtaining funds for the defense materiel backup, methods of concluding contracts, granting quality guarantees, exchanging armaments standardization experience, making technical documentation on specific problems available, and the information about the range of activities offered within the Partnership for Peace program in which the Slovak Republic could participate.

Commander Promises Support

LD2903171295 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1500 GMT 29 Mar 95

[FBIS Translated Text] I assured Jozef Tuchyna that I would do everything in my power to support Slovakia's integration into NATO. This was stated by Lieutenant General Helge Hansen, supreme commander of allied armed forces Central Europe, after meeting Jozef Tuchyna, chief of the General Staff of the Slovak army, in Trencin. Lt. Gen. Hansen has been on a three-day visit to Slovakia since 28 March.

Lt. Gen. Hansen also stressed that Slovakia's good relations with its immediate neighbors would be one of the key criteria in a possible discussion of our Republic's joining NATO, which is the issue Helge Hansen regards as being just as important as direct cooperation with the North Atlantic alliance.

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Size, Structure of 1995 Defense Budget Outlined

AU2903133595 Bratislava OBRANA in Slovak 25 Mar 95 p 3

[Article by "F": "Enough To Survive; A Few Interesting Facts About the Defense Department's 1995 Budget"]

[FBIS Translated Text] Virtually the entire first quarter of the year in the Army has been marked by the provisional budget, within the framework of which the defense department had been allocated the sum of 2.8 billion korunas [Sk]. At its last meeting, the National Council of the Slovak Republic approved the Slovak Republic's state budget for 1995; for the needs of the Army of the Slovak Republic [ASR] the legislators approved the sum of Sk12.9 billion.

Colonel Engineer Jozef Zadzora, candidate of sciences, director of the Slovak Defense Ministry's Economic Policy Section, provided us, as the most qualified person in this field, with the latest information. As he said, the above amount will make it possible to cover only the ASR's most essential spending. The budget will not permit the launching of any development programs and will only suffice to cover expenditures arising for the Army from valid international treaties, Slovak economic and social laws, and internal departmental regulations.

Investment activity within the defense department will be severely limited. In the first version of the budget, the ASR asked for a sum of Sk19.4 billion, which would have made it possible to launch development programs and investment projects and to train troops, including reserves, in the field. The second version reckoned with the sum of Sk16 billion, which would have covered only operating expenditures, but no development. The approved version represents a survival budget and does not even consider inflationary influences.

In terms of military expenditure per capita in U.S. dollars, the Slovak Republic ranks among countries with the lowest spending.

The largest part of the Slovak Republic's 1995 military budget expenditure is accounted for by wage costs, followed by material costs, and repair costs. The lowest expenditure item is spending on the social sphere.

1995 Expenditure Structure

	Percent
Wages	28.4
Materials	25.8
Services	18.9
Repairs	13.1
Investment	9.6
Travel	1.9
Subsidies	1.5
Social sphere	0.8

Kovac Sends Two Laws Back to Parliament

AU2903134595 Bratislava SME in Slovak 25 Mar 95 p 1

[Article by "si": "President of the Slovak Republic Returned to the National Council of the Slovak Republic Two Laws; Deputies Will Convene on 5 April"]

[FBIS Translated Text] Bratislava—The National Council of the Slovak Republic [NRSR] law on the stay of foreigners, passed on 9 March 1995, in some of its articles runs counter to international commitments by which the Slovak Republic is bound. It is also not in conformity with the Constitution of the Slovak Republic, which is why President Michal Kovac has returned the law, along with proposed modifications, to the NRSR for further discussion. The president has also returned to the NRSR the so-called jurisdiction law of 10 March 1995. This law is not in conformity with the Constitution of the Slovak Republic either. The president regards as problematic the status of the state secretary. In a statement in which he provides reasons for returning the law, the president of the Slovak Republic writes, inter alia: "An ordinary law cannot change the status of the state secretary in a way that endows him with the rights and duties of a constitutional official, turning him effectively into a constitutional official. Such a change in his status is exclusively within the jurisdiction of the Constitution or a constitutional law." Michal Kovac objects, furthermore, to inconsistencies regarding the establishment of the Office for the Strategy of Society's Development and to the change of jurisdiction regarding the appointment of chairmen to the Slovak Statistical Office and the Slovak Academy of Sciences. This law, too, is being returned along with a precise proposal for modifications.

Both laws, along with the previously returned law on the Slovak Information Service, will be discussed by parliament at the outset of its sixth meeting, which, according to a TASR report, NRSR Chairman Ivan Gasparovic yesterday convened for 5 April. In addition, the deputies are expected to discuss amendments to the laws on parliamentary elections, on state administration in the school system and self-administration in education, on social security, on Slovak Television, on Slovak Radio, and on fire protection. They are also expected to assess the National Bank of Slovakia report on monetary development in the Slovak Republic in 1994.

Jozef Moravcik Elected Chairman of Merged DU

AU2903140195 Bratislava SME in Slovak 27 Mar 95 p 1

[Article by "bog, pt": "Jozef Moravcik, Chairman of the Merged Democratic Union"]

[FBIS Translated Text] Bratislava—At the 25 March merger congress of the Democratic Union [DU] and the National Democratic Party [NDS], the more than 200 delegates representing the two parties approved new

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statutes of the merged political entity, which retains the name DU, its program, and the party leadership. Jozef Moravcik again became DU chairman. He was given 212 votes in a secret ballot and only four delegates voted against him. Ludovit Cernak was elected by the delegates deputy chairman in charge of local policy (he gained 215 out of 219 votes), Roman Kovac became deputy chairman in charge of internal party affairs (he received 207 out of 215 votes), Milan Knazko deputy chairman in charge of foreign relations (he gained 149 out of 204 votes), and Jan Budaj deputy chairman for programmatic issues and public relations (he gained 165 out of 211 votes. Jozef Hrabina was elected DU central secretary. The delegates also elected members of the DU Republican Council. For the time being, it consists of 84 members, 61 of whom are representatives of the former DU and 23 of the NDS. This ratio will change following the completion of the merger process at district level. On 25 March at night, the DU Republican Council nominated its representatives to the DU Political Committee. A regular DU working congress is planned for this fall.

Impact of Merger Viewed

AU3003063295 Bratislava NARODNA OBRODA in Slovak 27 Mar 95 pp 1, 3

[Interview with DU Chairman Jozef Moravcik and DU Deputy Chairman Ludovit Cernak by Julius Gembicky in Bratislava on 25 March: "Jozef Moravcik: Cooperating Factions—Enrichment Rather Than Danger; Ludovit Cernak: We Want To Contribute to the Formation of Slovak Liberalism"]

[FBIS Translated Text] Bratislava—Immediately after the merger congress of the Democratic Union [DU] and the National Democratic Party-New Alternative [NDS-NA], the chairmen of the two parties, which merged into a single entity, the DU, on 25 March, gave an interview to NARODNA OBRODA.

[Gembicky] In spite of certain differences in the hierarchy of values of the two parties, of which the DU espouses liberal principles and the NDS, rather, Christian principles, the joint congress decided on their merger. What is more, a current tendency toward social democratic values is to be discerned within both parties. Could this broad political spectrum of views become the source of future conflicts and further crystallization, similar to that expected, for example, in the Movement for a Democratic Slovakia [HZDS]?

[Moravcik] We were aware of these facts. We proceeded from the realization that liberalism takes various forms in present-day Europe. As a result, there are countries, such as Denmark or the Netherlands, in which there exist two liberal parties. As a matter of fact, they exist even in neighboring Hungary. We have therefore drafted a program that would bring together all these groups under one roof. I do not think that any signals have appeared that would portend a future split. We do not view cooperating factions within a single party as a danger but, rather, as an enrichment for the DU. However, for the time being I do not see the need to establish any such factions.

[Cernak] I do not think so. Besides, I do not feel any striking influence of the social democratic current because our program is to the right of center. The orientation towards free market and pluralist democracy is fundamental for us. Although there have been differences between us in the past, we now have the chance to shape Slovak liberalism by means of specific positions on specific proposals, such as the abortion law. I do not feel that we have founded something that contains the seeds of a future split. Quite the contrary, the principles of the struggle against extreme nationalism have led us to join forces.

[Gembicky] Wherein do you see the greatest snags in consummating the merger of what have until now been two autonomous political parties, particularly at the local and regional levels?

[Moravcik] At present we are only addressing some technical problems concerning the shape of joint district bodies prior to district assemblies. We set great store by the development of good relations within the common membership base. We have not received any negative signals yet, which is why we cannot speak about any snags.

[Cernak] Of course, everything will not be free from problems. Petty personnel problems are bound to arise at local level. However, mechanisms that are embedded in the political agreement should guarantee a democratic merger process even at district level. We are not building the party for functionaries to have their little fiefdoms, but we want healthy competitiveness to gain ground in the party. Simply, let the best people at the grass roots level assert themselves. By our own personal participation in district conferences, we want to erase any dividing lines between former DU and NDS members.

[Gembicky] A merger process is always a compromise, in which both political entities lose a part of their identity. What specifically did you have to renounce?

[Moravcik] I do not think that there has been any loss on either side. Rather, we have been enriched. We will gain a greater number of high quality people ready to work for a united DU. The merger produces a synergic effect, enhancing the party's intellectual background. The number of our members will grow as well. While we have a broader membership base in the cities, the NDS has had more experience in rural areas.

[Cernak] The voting on the DU program demonstrated that no differences of fundamental nature exist. We have lost nothing of substance in terms of the orientation of our program. We have only lost our name, NDS, and, naturally, our party autonomy. I expect this loss to be offset by the synergic effect of the joint entity. We would

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like the DU logo to be modified so as to symbolize both elements: the DU's boat and our flower. But we will let experts address that issue.

[Gembicky] Where, in which regions, will the advantages of the merger manifest themselves most distinctly? There are parts of the country where you were dominant and those where the NDS was dominant....

[Moravcik] We complement one another. The NDS is present in areas where we had no representation. Banska Bystrica district is a case in point. The NDS had stronger positions in the northern parts of the district, while we were stronger around Banska Bystrica. Following the merger, we will have solid representation in all Slovak districts.

[Cernak] We have been most solidly established in eastern Slovakia, which is also borne out by the election results. Other NDS strongholds are the northern and southern parts of central Slovakia and the northern part of west Slovakia. We have proposed for nomination to the DU Republican Council the most experienced functionaries from the most active district organizations. The DU's contribution lies in its strong membership and functionaries' base in the large cities. In two or three districts, there is rivalry between DU and NDS functionaries, but time will settle this problem.

[Gembicky] The congress decided that the DU will not have a deputy chairman in charge of economic affairs. Is this a retreat from the principle of managing the party on the basis of expertise?

[Moravcik] We are moving to a structure of party leadership that conforms with the requirements of the stage in which we find ourselves following the merger. The priority now is to complete the DU's organizational structure and the election of deputy chairmen was subordinated to this priority. When it comes to specialized economic issues, we will rely on our professional clubs. These will have their spokesmen, so that the DU, too, will have a party spokesman on economics.

[Cernak] No. I think that we have copied a system that is customary elsewhere in Europe. We have divided the deputy chairmen's powers, keeping in mind their activity within the party. The four deputy chairmen must manage all activities that are essential for the party's active life. I, for example, chair the professional club for industry, foreign trade, and tourism. Hence, even these areas will be attended to.

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Keleti Announces 20-Percent Reduction in Army

AU2903170095 Budapest NEPSZAVA in Hungarian 29 Mar 95 p 1

[Unattributed report: "Hungarian Army To Be Reduced by 20 Percent"]

[FBIS Translated Text] Defense Minister Gyorgy Keleti invited Hungarian Army Commander Colonel General Janos Deak and his entourage for coordination talks on 28 March. Following the meeting, Keleti told us that the Army General Staff understood that the 3-percent reduction in wages formulated in the government's package can only be achieved through a reduction in personnel. The General Staff asked only that Parliament decide on the armed forces reform concept in April, or May at the latest. Based on this, for example, army personnel would drop from 90,000 to 75,000 men in two and a half years.

"Our reform plans do not contradict the government measures. At most, we have been surprised by the pace of these measures. Even though we already carried out an 11-percent reduction in personnel at the ministry by 11 December 1994, with the structural reorganization, we increased the percentage of civilian employees from 35 percent to almost 40 percent. At the end of the current restructuring, we will reach a reduction in personnel of more than 20 percent at the various levels of leadership," Keleti told us.

The minister also told us that they will naturally carry out the 5,000-man reduction in the number of regular conscripts, and the budget will really feel the financial consequences of this action—namely, a saving of 1 billion forints, next year. "We will not be dismissing any professional soldiers. Finance Minister Lajos Bokros and I came to an agreement that the 3-percent drop in wages for the entire year will be carried out, in our case, in a way that 6 percent per month will be reduced from the second half of the year. This forced measure affects the public employee sphere and will bring in 2 billion forints to the budget," Keleti pointed out.

He added the following: "It is possible to explain the reduction in the number of public employees: They are more numerous than the professional soldiers, and we will considerably reduce their number by 1998. As an example, I must say that I find it unacceptable that separate personnel prepare separate meals for regular soldiers and officers. It seems that the gentlemen will have to do without the privileges of the officers mess." He did not mention any concrete number or area of reduction, but pointed out that every person affected will naturally receive severance pay.

NATO 'Surprise' at Bocz Appointment Noted

LD3003002695 Budapest MTV Television Network in Hungarian 1730 GMT 29 Mar 95

[FBIS Translated Excerpt] [Announcer] The head of Hungarian military intelligence has appeared at a National Assembly defense committee hearing. General Laszlo Bocz has been the head of military intelligence since 1 March. Before that, he worked as Hungary's liaison officer to NATO in Brussels. According to opposition deputies, the quick appointment of Laszlo Bocz to lead military intelligence has caused surprise in NATO circles. [passage omitted]

General Bocz rarely appeared in public before. According to his own admission, he spent almost his entire career in intelligence, except for the two years in Brussels. FIDESZ [Federation of Young Democrats] deputy Tamas Wachsler and MDF [Hungarian Democratic Forum] deputy Jenoe Poda are concerned that his rapid appointment may cause concern in NATO.

[Begin recording] [Wachsler] My problem is that he used to be an intelligence officer before his appointment. Aand he has been a good one and no doubt he will work again in intelligence, and I am sure he will direct the work of the office. But what I am concerned about is whether people in Brussels will ask: If he was an intelligence officer before and after, then what was he in between?

[Poda] According to unofficial information and conversations, the appointment caused a bit of confusion in Brussels—in NATO headquarters and around it—confusion related to this move by the government and not to the person of the general. [end recording]

[Announcer] General Bocz has rejected the notion that he worked as an intelligence officer gathering information at the Brussels NATO headquarters.

[Begin recording] [Bocz] Naturally, Brussels, NATO, was not a target country or target, intelligence target, but I think it is indispensible and unavoidable to ensure that the political leadership of this small country should have information from all sides to take appropriate decisions when formulating or approaching a policy of integration. [end recording]

[Announcer] According to Janos Deak, national commander of the Hungarian Army, General Bocz has made a good impression on NATO leaders. [passage omitted]

Slovak Minority Sets Up 53-Member 'Parliament'

AU2903110295 Bratislava SLOVENSKA REPUBLIKA in Slovak 27 Mar 95 p 7

[TASR report: "'Parliament' of Slovaks in Hungary"]

[FBIS Translated Text] Budapest—A nationwide Slovak self-administration body consisting of 53 members was elected by 205 electors representing members of the Slovak minority in Hungary in the ceremonial hall of the New Town Hall in Budapest on Saturday, 25 March.

Csaba Tabajdi, state secretary at the Hungarian Government Office, pointed out that this was the first, historic opportunity for Slovaks in Hungary to elect their legitimate representative body, and stressed the importance

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of this fact for the preservation of the identity, cultural traditions, and the development of schools of the Slovak community in Hungary.

Eva Mitrova, ambassador of the Slovak Republic to Hungary, said that this was a historic moment in the double meaning of the word. Not only is it the first meeting of those who will officially represent, and work for, Slovaks in Hungary, but, thanks to statesmanlike wisdom on both sides of the border, a process of mutual rapprochement has started, which creates conditions for Slovakia and Hungary to head jointly toward Europe.

[Bratislava PRAVDA in Slovak on 27 March on page 15 carries a 500-word report by Frantisek Buda on the 25 March elections, entitled "Moderate Line Confirmed," which states: "The nationwide representative body consists mostly of functionaries of the moderate Union of Slovaks in Hungary (ZSM), while members of the other four alternative, and more radical, organizations of Slovaks in Hungary reaped fewer votes. Even distinguished fighters for ethnic minority rights such as Michal Hrivnak, Ildiko Fuzikova, or the poet Gregor Papucek did not get into the 'Slovak parliament.'" Buda therefore believes that "judging from the course and results of Saturday's elections, the national self-administration body will carry on the moderate political line of the ZSM." He also notes that, once the results of the 25 March elections are approved by the State Electoral Commission, the "Slovak parliament" will elect its chairman and deputy chairmen.]

Hungarian-Ukrainian Talks on Minorities Held

LD2903192195 Budapest Kossuth Radio Network in Hungarian 1600 GMT 29 Mar 95

[FBIS Translated Excerpt] The document signed by Mykola Shulha, visiting Ukrainian minister of nationalities, migration, and religious issues, and his Hungarian colleague Csaba Tabajdi, contains, instead of wishes, concrete recommendations for their governments. The two politicians also reviewed developments since the signing of the Hungarian-Ukrainian Treaty. Levente Sukosd reports.

[Sukosd] We were able to conclude that there were more positive developments and results than failures, State Secretary Csaba Tabajdi said. He added however, that, for example, the incomplete hospital in Beregovo, whose construction was started as a Soviet-Hungarian initiative years ago, and the planned polytechnic in Beregovo, were such issues, which must be resolved by the two governments. However, he said it was a promising sign that it was lack of money and not political will that was hampering the resolution of these matters. [passage omitted]

Both Shulha and Tabajdi expressed the view that the way in which the two neighboring countries can cooperate, even in matters of minorities—which are considered to be very sensitive—could be a model for several European countries. Summing up the negotiations, Tabajdi said that time proved right those who, at the time, had supported the signing of the Hungarian-Ukrainian Treaty.

HDUR Leader Calls Decision 'National Socialism'

LD2903213195 Budapest Kossuth Radio Network in Hungarian 1830 GMT 29 Mar 95

[Telephone interview with HDUR (Hungarian Democratic Union of Romania) Executive Chairman Csaba Takacs by correspondent Agnes Juhasz Nagy—recorded]

[FBIS Translated Excerpt] [Passage omitted] [Nagy] MTI reported that on Tuesday [28 March] the Romanian Senate adopted the law that had already created a storm last year and according to which hoisting the flag, using the symbols, or singing the national anthem of a foreign state in a public place is a criminal act punishable by imprisonment. Does this mean that the flag of the Hungarian minority cannot be hoisted on public buildings, or that the national anthem cannot be sung on [Hungarian] national holidays? I am asking Csaba Takacs.

[Takacs] I consider the Romanian Senate's decision to be extraordinarily serious and politically provocative. The amendment of the Penal Code in this way is a clear challenge to the rules of the UN basic conventions and the prescriptions of universal human rights. We cannot separate the decision from the political expansion of national socialism that—it is clear by now—is the inevitable consequence of the composition of the government coalition in Romania.

At the same time, we are opposed to the belief that the European Stability Pact agreements and the regulations that in recent years endeavored to solve the minorities situation impose the kind of decisions, control mechanisms, and obligations on states with national minorities that will resolve these tensions. What the HDUR has pointed out abroad, as well as at home in this respect, has proved to be true. In other words: It is possible to keep making references—until the cows come home—to European norms that, as statements of reassurance, are nothing but a means for the great powers to postpone an issue instead of aiming at its resolution. These norms and statements provide the states practicing even legislatively the oppression of minorities with the means to completely ignore universal rights. [passage omitted]

Unfortunately, we face the situation where, if somebody who hoists the red-white-green flag—and I stress, here, that I am not talking about Hungary's symbol but about the color combination of the whole Hungarian nation—will receive a prison term of two years. Our compatriot may already be in prison when the case is appealed to the Strasbourg court [Council of Europe]. In other words, we

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face a situation of intimidation, a serious curb on the expression of a reviving identity.

I do not rule out that this law was introduced as a reflex action to the failure to sign the Hungarian-Romanian Treaty. On whom should they take vengeance for this political failure but on those—as always—who are the very subject of the treaty, whose situation the treaty intends to sort out: the Hungarians in Romania. [passage omitted]

Union Leader Views Dissatisfaction With Measures

AU2903104295 Budapest MAGYAR NEMZET in Hungarian 27 Mar 95 p 7

[Interview with SZEF Chairman Endre Szabo by Katalin Torok; place and date not given: "The Still-Functioning Brakes Might Begin To Slip—Endre Szabo on the Trade Unions' Room for Maneuvering, Self-Moderation, and Belt"]

[FBIS Translated Excerpt] Since the government's stabilization package became known, interest representation groups have been lodging many protests. As a sign of protest, many people are wearing a blue ribbon on their jackets, and blue flags can be seen at schools and hospitals. We asked Endre Szabo, chairman of the Cooperation Forum for Trade Unions [SZEF] that represents almost half a million public employees, whether a trade union can do anything other than make symbolic protests in the current situation.

[Szabo] The question is justified and timely. As a result of the serious economic situation, Hungarian employees have to face ever-tougher challenges and greater difficulties, while it is increasingly harder and less successful to limit the negative effects and to assert their interests. Consequently, many people might ask whether there is any point in the trade union's fight, but I believe that the answer can only be yes and that we must not give up. On the contrary, the employees' organized cooperation and unified action is needed now more than ever before. This is true even if the situation of the trade unions has many problems. It seems that the government is in the process of changing its style, and it is to be feared that the government looks upon the trade unions as a danger rather than as a chance to implement its policies. The opinion that economic measures—I do not mean foreign exchange or customs matters—must not be made public in due time because they will then be torpedoed by the interest lobbies seems to prove this stance. I consider this to be a rather dangerous attitude. This implies that the trade unions' sense of responsibility is doubted (for which we did not give any reason); interest coordination is reduced to the dissemination of information; and what's most important, an undeniable truth is ignored that has also been mentioned by President Arpad Goncz: No program can be implemented without the people. However legitimate a government might be, it must never forget that it has to regain support every day. Therefore, I consider it very important for the trade unions to take a very firm stance in the interest of employee and trade union rights, also making it clear for the government that this is not a goal in itself, and that it is only possible to get out of the current difficult economic situation through real dialogue with the affected people, and through a common will.

[Torok] What are your views on the package that was decided on, on 12 March? Is it not to be feared that public employees, who are the lower middle class, are to lose the most?

[Szabo] Indeed, the planned measures affect public employees negatively in many ways, while real earnings have already been dropping fast in this sphere. If certain balancing welfare mechanisms are also abolished or weakened, then it is rather likely that these people, or at least a large proportion of them, will become poor. At the moment, the establishment of strong middle classes that are important pillars of society's existence and value system is still a dream in Hungary, and the actual processes are pointing in the opposite direction. It is a further problem that the effects of the government's package have not been adequately worked out and it is possible that what we gain in one area we will lose in another. In addition, the measures often lack expertise and even the minimal requirements of interest protection. [passage omitted]

[Torok] These measures would have tragic effects on the already badly paid public employees. Can the blue ribbons do anything here? Or is it the case that this government, contrary to the previous one, very well knows the trade unions and expects that they will not be able to strike anyway?

[Szabo] The trade unions have shown a rather self-restraining and responsible attitude in the past, and this is still the case today. There is certainly some truth in expecting that the trade unions would seize all opportunity rhetorically, or with the help of the blue ribbon action, for protest—including using the press—but will not decide to take serious steps. It is also correct that these people are often afraid to take effective actions or to strike. Many also suspect that the trade unions do not have significant strike funds. All of these thingshave some truth in them. However, I would like to call attention to the fact that, after a certain point, these self-restricting reflexes are not certain to continue to function automatically.

[Torok] Where is this certain point?

[Szabo] Problems and social tensions can accumulate to such an extent that many people might come to the conclusion that they have nothing to lose. In the SZEF, we have also noticed that such decisions are increasing, in people. In my view, neither the government nor other political factors should overestimate the restrictive forces, because the brakes that have worked up to now

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can start to slip. We often hear about Hungarian society's maturity and the wisdom of the Hungarian people. This is very true, but the reserves of tolerance are getting exhausted, and people are not so considerate beyond a certain point. This can then turn into a demonstration, civil disobedience movement, or strike. [passage omitted]

[Torok] Can you imagine yourself leading a strike against the current government?

[Szabo] I can if the conflicts become so tense that they cannot be resolved any other way. At the same time, I would like to stress that we are not in favor of strikes. We know very well that strikes are not a real solution and that they never serve the country's development. Nevertheless, it is possible for dissatisfaction to end in a strike if the politicians irresponsibly toy with the population's tolerance. [passage omitted]

Former Minister Views Power of Organized Crime

AU2903171295 Budapest MAGYAR NEMZET in Hungarian 28 Mar 95 p 9

[Interview with Bela Katona, recently resigned minister without portfolio in charge of secret services, by Miklos Halasz; place and date not given: "The Bridge Has Already Been Fixed Between Politics and Organized Crime"]

[FBIS Translated Excerpt] [Passage omitted] [Halasz] Let us talk about the basic treaty issue, which has particularly stirred up the political mood here in recent days. The opposition kept claiming that the treaty would not be at all favorable for the 600,000 ethnic Hungarians living in Slovakia, and several official Slovak opinions seem to support this view. What I mean here is that, just one day after the signing of the treaty, several politicians tried to interpret differently the parts of the document dealing with the national minorities. Is the Hungarian secret service to be blamed for failing to predict that a change might occur on the Slovak side, in their interpretation of the situation of ethnic Hungarians?

[Katona] Thank God, secret services do not play the leading role in diplomatic negotiations. Of course, a lot of different information was available before the signing, but most of it did not originate from the secret services, because numerous press interviews had earlier been given on the subject in Slovakia. In other words, one could predict that not everyone in Slovakia would identically support this treaty. However, I think that what the Hungarian opposition parties are now saying about the treaty only adds fuel to the fire and strengthens those in Pozsony [Bratislava] who are interested in seeing that nothing is observed from this treaty. They can say that the Hungarians also say that they will immediately abrogate this treaty if the opposition gains power, so why observe anything until then! Therefore, I find this position of the opposition's dangerous, demagogic, and a bad policy. [passage omitted]

[Halasz] The government came up with a package of restrictive measures two weeks ago. In your view, will our society be able to take the implementation of these measures in this form?

[Katona] In my opinion, certain strata of our society will not be able to take the package in its original form; and, actually, this was the reason for my resignation. [passage omitted]

I decided to resign my ministerial position and stay quiet, because I expressed my opinion with the resignation itself. I hope that by the time the measures are passed by Parliament, they will have become more palatable and will no longer represent unbearable burdens to anyone.

[Halasz] If I remember correctly, a whole country has openly confronted the government in the past for much less—because of a few forints' increase in fuel prices. According to secret service information, could the recent restrictive measures lead to disturbances similar to the taxi-drivers' blockade?

[Katona] Fortunately, the secret services do not deal with the mood of the population. Let us have confidence in the opinion polls on the political mood. In my opinion, Hungarian society is behaving in a rather tolerant and extremely moderate way in this matter. In my opinion, people will not take to the streets in large numbers this time, either. That the government will lose the citizens' confidence if it makes wrong decisions is another matter. [passage omitted]

[Halasz] You said recently that there are forces in this country for whom it is important that no one, not even the secret services, get a closer look into the economic affairs and affairs of organized crime. Moreover, these forces are even capable of temporarily hindering the passing of the national security law. What forces do you have in mind, and what power do they represent?

[Katona] I cannot express myself more openly this time, either. I suggest that everyone follow the parliamentary debate on this law and the way in which these forces assert themselves in parliament will become clear sooner or later. It is sufficient to mention those who want the secret services to have no connection whatsoever with organized crime—not to gather any information, and to refrain from making the relevant analyses. A unique practice. But it is extremely important for a country to be aware of the extent of this type of crime and the possible effects on the economic, social, and political processes.

[Halasz] If I understand you correctly, you mean that there are already such strings leading inside parliament too?

[Katona] I think that, thank God, we are not yet there, but it is certain that there are middlemen who are on speaking terms with both politicians and the organized underworld.

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[Halasz] So a bridge for contacts has already been built?

[Katona] Yes, such a bridge has been built. [passage omitted]

KSH Official on Ways To Fight 'Black Economy'

AU2903142995 Budapest MAGYAR NEMZET in Hungarian 27 Mar 95 p 11

[Interview with Janos Lendvai, deputy chairman of the Central Statistical Office, by Zsuzsa Varga; place and date not given: "The Phantom of Statistics—Janos Lendvai on the Freedom of Enterprise, the Black Economy, and Subsistence-Level Calculations"]

[FBIS Translated Text] *The Central Statistical Office [KSH] has been criticized a lot in recent years, mainly because of its slowness and inflexibility. The other day, even parliament had a debate because the KSH had suspended its subsistence-level calculations in December. Although the KSH does not qualify but only registers the data, these obviously offer a basis for observing, following, and understanding economic and social processes. In fact, the statisticians' information has drawn the politicians' attention to many facts. It is no accident that, although subsistence-level calculations have been prepared by the KSH since the 1960's, they were secret until 1989 to stop them from irritating the public. We interviewed KSH Deputy Chairman Janos Lendvai on the current role and changing tasks of the KSH and statistics.*

[Varga] One of the most exciting statistical reports of late was on the 1994 GDP. According to this, the GDP amounted to some 4,300 billion forints at current prices, which is 2 percent higher than the year before. Although the KSH's data gathering is national and its method modern, this figure was immediately in a crossfire of disputes by experts. What are your views on this?

[Lendvai] We can perceive the "crossfire": Many people are disputing the 2 percent, and are talking about 3 or 4 percent. In my view, this is a mere detail. First of all, we must not forget that the above figure is a preliminary expert estimate, which can change after the final annual data—for example, company taxes—are known. On the other hand, rather than whether it is 2 or 3 percent, the important issue is what is behind the figures. Namely, since 1989—therefore after many years of stagnation and recession—this is the first time the indicator of the economy's total performance has gone into the positive sphere and is showing an increase. The growth is necessarily smaller than the increase of, for example, industrial output because, as is typical of an increasingly modernized economic structure, the performances of industry, agriculture, and the construction industry are pushed into the background by the service sector, which now exceeds 50 percent of the GDP.

The "Bombardment" of Citizens

[Varga] Therefore, this is an indication of a breakthrough, an upswing. However, in the meantime, citizens are constantly "bombarded" by various, often completely contradictory, analyses and statements on the state of the economy. To mention but a few from recent days: The finance minister talked about an empty treasury and a foreign currency loan taken on to urgently lessen the liquidity problems, while the deputy chairman of the National Bank talked about growing foreign currency reserves. How big is the problem, then?

[Lendvai] The temporary domestic lack of budget resources, rather than the foreign debt, is financed from the dollar loan. This is needed because, after the recession, in the wake of increasing investments, a structural change has taken place in the economy, while the state budget structure remained unchanged. The positive processes are not yet powerful enough to support a state administration system based on the fiction of a pseudo welfare state. Therefore, growth leads to an upset balance because the old welfare structure is oversized and cannot be financed in its current form. Understandably, all this creates a big social resistance and tension that—if possible—is increased by the contradiction that precisely a social-liberal government is forced to implement these welfare restrictions. Therefore, to return to the question, the two statements are not contradictory.

[Varga] The size of the population's savings is a good indicator also for the economic players. This has increased in recent years, but social researchers tend to draw different conclusions from this fact, too. According to one view, increased savings indicate bigger confidence in the government's operation and in future stability. At the same time, others conclude that people are saving up because they expect uncertain situations to arise. What are your views on all this?

[Lendvai] The population's savings increased very significantly in 1994—by 100 billion forints—and reached a net value of 1,428 billion forints this January. The figures clearly show that people's savings habits have changed: As life is getting ever more expensive, an increasing number of people are trying to save up in advance. This means that it takes longer to save up for durable goods and that they also want to prepare for unexpected expenses. At the same time, many other tendencies can also be seen. For example, a small upper stratum can save ever-increasing amounts. When buying shares, it cannot be seen whether this form of saving is for a private household or for an enterprise. Therefore, these figures are mixed up. However, it is clear that the population is taking on less and less credit; therefore, their indebtedness is decreasing. The macroeconomic role of savings points beyond all this, because both the state administration's deficit and the investment loans have to be financed from these.

Up-To-Date Systems

[Varga] Every year, statistics capture the black economy and in fact even include it in the GDP for a while. It now amounts to some 28-30 percent of the national product.

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As is known, government measures are being prepared at the moment. What means do you have to repress the black economy?

[Lendvai] I recently explained in the parliamentary economic committee that in my view, an up-to-date record of the economy's participants and a reduction of the use of cash are the basic prerequisites for repressing the black economy. At the moment, the freedom of enterprise is interpreted here in such a way that a person can register even dozens of activities while, regardless of these, he does what he wants. No one even checks if this person has the necessary licenses to conduct the given activities. Since 1988, the minimum capital to set up a limited company has not changed, while inflation has been more than 300 percent since then. The registration order of enterprises is also unchanged. At the moment, when a company is founded, one has to go (twice) to the Office of Tax and Fiscal Auditing [APEH] and the KSH, and then to the registration court and to the social insurance. In addition to the APEH and the social insurance, individual entrepreneurs also have to visit the local government and register with an economic chamber. All this is prescribed by laws between which the connections have not been examined by anyone. Enterprises should only be registered in one place, where the other interested offices can automatically have access to the public information; and I suggested a 30-day control period instead of immediate registration. If someone turns out to have made many enterprises bankrupt in recent years, then he must not be allowed to make a new attempt. In my view, these measures could significantly improve the situation. At the moment, some 30 to 40 percent of the registered 1 million enterprises are phantom companies. The other method of considerably suppressing the black economy would be the modernization of the level and quality of financial services, the reduction of the use of cash. There is less chance for black money to go from one pocket to another if people are forced to make bank transfers.

Nine Plus Eight

[Varga] Inflation approaching 30 percent is indicated in the 1995 forecasts. However, there is psychology in the numbers: Inflation expectations can themselves push inflation higher. Have you experienced this lately?

[Lendvai] Of course I have, and to an utterly unreasonable degree. This is expressed by the already-implemented huge price increases. However, the 9-percent forint devaluation and the 8-percent additional customs duty, together with value-added tax, would only justify in increase of some 20 percent, at the most. If only some of the raw materials come from abroad, then the price increase should be smaller. Uncertainties and fears have also been included in the calculation of the current prices. These are ridiculous and mistaken reactions, which incorporate all the negative experiences and expectations of the past 40 years. However, I am sure that there is an antidote for this, too. The market is indeed a market, with its own laws. One of these is that prices that have now been increased will be forced to go down when the demand drops. When people do not have money, they will not buy the products for unrealistic prices but only when they are cheaper. Therefore, I am convinced that, in case of a strict restriction of demand, prices will sooner or later go down, and this will also have a dampening effect on inflation.

[Varga] The KSH created a storm when it stopped the subsistence level calculations. According to the official explanation—which turned out to be a little false—one reason is that we have to adjust to the EU's statistical system and methods; another, that the situation of the 2.5-3 million people living below the subsistence level has not improved as a result of publishing these calculations. What are your views on this?

[Lendvai] The sole reason for suspending this assessment is that it does not at all fit in with the EU's practice. Our decision was made easier by the fact that the published December subsistence-level can be calculated anyway, from the monthly price index. Different proportions are used in various countries—for example: In Hungary, the subsistence level is approximately 70 percent of the net average wage but this proportion is not completely realistic. According to this, some 25 to 30 percent of the population lived below the subsistence level last year. It might be better to define a poverty line which is closer to the minimum wage, and, obviously, a smaller proportion of the employed people would fall into this category. At the moment, we are examining with what method and indicator we could replace the former subsistence-level calculations.

[Varga] The example also shows how much depends on statistics and the message they convey. In your view, is the KSH doing what it should?

[Lendvai] In my view, the KSH should play an integrating role. We have to coordinate the statistics made by various methods. Our main task is to show the connections. We are not interested in how various people might group the data for political considerations because our role is to be impartial: We must serve the government, the entrepreneurs, and the public equally and uniformly.

Forum on Military-Societal Relations Held

95CH0176D Budapest MAGYAR HONVED in Hungarian 24 Feb 95 p 17

[Article by "M.I.K.": "Forum on Social Relations"]

[FBIS Translated Text] The parliament's National Defense Committee and the Hungarian Society of Military Science held a forum recently under the title "Relations Between Society and the Armed Forces." The meeting, which was held at the Miklos Zrinyi Military Academy, was opened by National Assembly representative Imre Mecs, chairman of the National Defense

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Committee. Mecs emphasized that it was most important for both Hungarian society and politics to have stable and harmonic relations between the Armed Forces and law enforcement, and society. He also emphasized that these relations have improved dramatically over the past five years, with great contributions by army officers, border guards, and the police. However, all this also necessitates that legislators provide the conditions that would also strengthen responsible civilian control. At the same time, it is imperative that politicians not interfere with professional issues of the military; and if decisions must be made, that politicians listen to experts; and that members of the Armed Forces also refrain from making decisions concerning political issues. One reason why this duality is important is that it is one of the foundations of democratic constitutionality.

Several presentations were heard at the forum. The title of the presentation by Colonel Janos Szabo, a doctor of military science and the deputy commander of the Miklos Zrinyi Military Academy, was "Conflicts in the Relations Between Society and the Armed Forces During the Period of Social Change." Dr. Jozsef Feher, a general and the state secretary for public administration at the Ministry of Defense, gave an overview of the legal foundations for civilian control. Mrs. Robert Baraczka, PhD, deputy state secretary at the Ministry of Interior, spoke about the relations between society and law enforcement.

More than 20 persons commented on the forum's subject and the presentations. In his closing remarks, Dr. Lajos Moricz, doctor of military science and president of the Military Science Society, stated that the meeting was beneficial and valuable, and emphasized that a multitude of such meetings are as necessary for strengthening the relations between society and the Armed Forces as are everyday actions.

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Walesa Begins Official Visit in Sweden

LD2903182895 Stockholm Sveriges Radio Network in Swedish 1545 GMT 29 Mar 95

[FBIS Translated Excerpt] Polish President Lech Walesa started his state visit in Sweden today and sought support from the Swedish government in Poland's efforts to become a member of the European Union. [passage omitted]

We are very pleased with the understanding we have met while visiting Swedish politicians towards Poland's wish to become a member of the European Union. This was said by President Walesa at a news conference a little while ago after his meeting with Prime Minister Ingvar Carlsson. Before that, the legendary leader of Solidarity had been driven in a royal cortege through the center of Stockholm and had lunch at the Royal Palace. Nothing more concrete had come out of this first day of the first visit ever by a Polish head of state in Sweden.

One obvious question at the press conference was Poland's efforts not only to become a member of the EU but also a member of NATO. We do not know any other organization in Europe which could better guarantee our security than NATO, Walesa explained, at the same time as he repeated that a Polish membership of NATO would not be targeted against anyone else, that is Russia. The Russian side has had strong objections against a quick incorporation of Poland and other central European former communist states into NATO. However, Lech Walesa did not want to enter into new diplomatic controversy on this. However, he strongly criticized Russia's war in Chechnya. It is true that Russia has the right to retain its territorial integrity, he said, but not by using uncivilized methods and by violating human rights. Walesa criticized not just the Russian leadership but also the international community for having done too little against the war in Chechnya, that is something we must think about, so that nothing similar ever happens again, he said. [passage omitted]

Walesa Warns West on NATO, EU Enlargement

BR2903131195 Stockholm SVENSKA DAGBLADET in Swedish 28 Mar 95 p 7

[Report on interview with Polish President Lech Walesa by Fredrik Braconier in Warsaw on 27 March: "Walesa Wants To Provoke Change—Polish President Regrets Virtually Nothing in His Career"]

[FBIS Translated Excerpt] "If the West fails to listen to us yet again and fails to quickly enlarge NATO and the European Union by including Poland, then it will be making a big mistake. It will then end up paying for its mistake, just as it did in 1939 and 1945. A divided Europe will be recreated and rival blocs will come into being. In this respect Poland is a key country. Our geographical position means that we cannot be neutral. Poland has to take sides."

These were the words of Polish President Lech Walesa, speaking in an interview he gave to SVENSKA DAGBLADET on Monday morning [27 March] in the presidential palace in Warsaw. On Wednesday Lech Walesa will start a three-day visit to Sweden.

As his presidential seat Walesa now uses former government buildings close to the old city center. Like virtually everything else, the palace was built up again after World War II. Fifty years ago Warsaw was a pile of ruins in the wake of Hitler's attempt to level the city.

Lech Walesa himself remembers this history and Poland's situation during the postwar period. We should not judge him and his sometimes controversial actions in the light of the criteria we apply to ourselves.

"In Sweden and the rest of the western world you look upon us in the same way you look upon your own democracies," maintained the Polish president. "But remember that you have had your own democracies for a long time and that we are rebuilding ours. And at the same time as we are building something new we are having to do away with what went before."

"During the period of reconstruction somewhat different rules apply. If I behaved in the same way in Sweden and was assessed on the basis of that behavior, I would be rightly criticized."

Even those people who used to be close to him—and former Prime Minister Tadeusz Mazowiecki is one such person—have accused Lech Walesa of using unconstitutional methods and threatening democracy. This criticism leaves the president unmoved.

"I am provocative in an attempt to reform communist laws and a communist constitution. There is no other way of doing this. Otherwise we would be preserving a system that we ought not to retain."

No, President Walesa regrets virtually nothing at all during his career, stretching from his days as an upstart trade union leader to his role as president. He positively oozes self-confidence.

"I have always made decisions that were deliberate and well considered. And even if they were not all correct decisions, I had no other option at the time. That is why I have no regrets about anything in my career."

Lech Walesa views the 1970's as an important preparatory phase. In 1970 he was an inexperienced strike leader, but 10 years later, when strikes again shook the Polish docks on the Baltic coast, he was better prepared than others. These strikes made Walesa famous around the world.

"Even back then, there was talk of my dictatorial behavior," the president recalled. "My colleagues were not mature enough. I was more capable than others of drawing conclusions and coming up with proposals."

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Lech Walesa suspects envy among his adversaries, people who he himself outshadowed. He does not show any anxiety in the face of the presidential elections which are planned for this fall, despite the fact that he is only in third position in the opinion polls. Walesa firmly believes that a vote for the man heading the list, left-wing leader Alexander Kwasniewski, is a vote thrown away.

"If I wanted to lose my vote, I would give it to him. Kwasniewski has no chance. He cannot win."

Walesa did not want to say who he would like to see become Poland's president if he himself decided for some reason not to stand. In his opinion too few potential candidates have made their presence known.

"My task was—and remains—to establish pluralism in Poland. And pluralism means a large number of candidates and platforms. That is the only way in which I can check whether the task has been fulfilled. If a large number of candidates emerges, then I will have won another battle."

Throughout the interview Walesa wore on his suit an image of the Black Madonna, the special symbol and patron saint of the Polish Church. This is in spite of the fact that by his own admission he has more medals and orders than good old Leonid Brezhnev. So what does religion mean to Lech Walesa?

"I believe that religion is absolutely essential for mankind. It does not hinder his development. Quite the opposite. If people had faith, we would have a better life. The more dangerous and complicated the situation becomes, the more earnestly we should seek our faith. Otherwise we will end up destroying civilization. It is simply a question of when.

"Certainly, Poland is special, with its difficult history. Here a form of symbiosis has been developed between the nation and the Church. The Church has never betrayed the nation. We made most progress when our faith was at its strongest. Poland would never have existed if it had not been for God and the Church."

Walesa spoke of religious "illiterates," people who learn something about religion when they are small but go on to forget it. Poland's president believes that such people become underdeveloped.

So what about Sweden that Lech Walesa will visit this week? What does he spontaneously think of when our country is mentioned?

Nothing, as it turned out. Instead, like the true politician he is, he spoke of building bridges and Baltic cooperation. For Walesa, no blond girls, no birch trees whispering in the wind, and not even the bellicose king who laid waste Poland in the 1600's or at the beginning of the 1700's come to mind. Not even the Swedish-Polish Vasa monarch Sigismund, whose statue stands a few hundred meters away from the presidential palace. [passage omitted]

Walesa Proposes Referendum on President Ruling

LD2903193995 Warsaw Polskie Radio First Program Network in Polish 1717 GMT 29 Mar 95

[FBIS Translated Text] Before his departure for Sweden today, President Lech Waelesa said that the constitution should be adopted before the presidential elections. Lech Walesa also proposed that a referendum on the future constitution could be used as an opportunity to ask citizens whether they would agree to give the president the right to pass decrees with the force of legislative acts for a period of five to 10 years.

[Begin Walesa recording] My idea is that on the occasion of the constitutional referendum, we should ask society for greater powers for the president for an interim period of five to 10 years maximum, so that he may move more effectively in this maze of lawlessness and bad legislation. Let us give him greater prerogatives for this period to enable the president to pass interim legal acts, that is decrees, in certain areas.

This would certainly not directly concern legislation on pluralism, democracy, or civil liberties, but rather economic offenses, privatization, reprivatization, areas where legal acts should be passed as soon as possible. Such legal acts would not bypass parliament. After this period there would be a return to a parliamentary system. I am in favor of a parliamentary system, but within a system which has already been put in order. [end recording]

Sejm Speaker Comments

LD3003105895 Warsaw Polskie Radio First Program Network in Polish 0700 GMT 30 Mar 95

[FBIS Translated Text] [Announcer] Yesterday before his departure for Sweden, President Lech Walesa said the constitution should be adopted before the presidential elections. The president also proposed that the referendum on the future constitution could be used as an opportunity to ask citizens whether they would agree to give the head of state the powers to issue decrees with the force of legislative acts.

Sejm Speaker Jozef Zych thinks that in accordance with the constitution, no authority or government body should be given special powers for a specific period of time.

[Begin Zych recording] Every constitution is prepared for the entire nation for a long period of time. So, the constitution, being a basic legal act, does not envisage the introduction of short-term prerogatives. However, in order to grant the president the powers to issue decrees with the force of legislative acts, the Sejm has to pass a law authorizing him to issue decrees for a specific period of time. However, many specific problems would result from this. For example, there would be a problem of how such decrees should be ratified later. [end recording]

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Counterintelligence Head Dismissed; Oleksy Surprised

WS3003104395 Warsaw ZYCIE WARSZAWY in Polish 30 Mar 95 p 2

[Article by Luiza Kowalska: "First Clash Between Premier and Minister"]

[FBIS Translated Text] *The prime minister does not like the fact that the defense minister is dismissing the head of the military counterintelligence services without consulting him. "I will clean my own house alone," presidential Minister Zbigniew Okonski retorts.*

Head of military counterintelligence Commander Glowacki was dismissed by the head of the Ministry of National Defense [MON] several days ago. Commander Glowacki worked at that post for nearly two years as the successor to an officer strongly involved in fighting the democratic opposition in the times of the People's Republic. Before that, he had worked in the military intelligence services.

MON has not issued any official statement on the reasons for the dismissal.

"There is no custom of announcing the reasons for dismissals," the Press and Information Office at MON persisted in saying, repeating a statement issued by the Military Information Services [WSI].

Only "presidential" Minister Zbigniew Okonski partly unveiled the mystery to journalists: "I had my reservations about him."

In the meantime, it was speculated behind the scenes that Commander Glowacki's dismissal was unavoidable because he was considered to be a man of the previous defense minister, Piotr Kolodziejczyk. As WSI is a part of the General Staff structure, Kolodziejczyk could have had insight into structures which are practically beyond ministerial control.

The dismissal of the head of counterintelligence came as a complete surprise to Prime Minister Oleksy. "Members of the government have huge autonomy, yet Minister Okonski should relay such information quickly and effectively," commented the prime minister on "Sygnaly Dnia" [radio program] on Tuesday, and added: "Minister Okonski is a new cabinet member, so perhaps he is not aware of that custom."

Okonski himself, asked why he had dismissed the head of counterintelligence behind the prime minister's back, said sourly: "I will clean my own house alone, without asking anyone. This is one of my many decisions, similar to that of dismissing my head of cabinet," he waved off the issue.

"Everything is all right from a formal point of view," says Janusz Zemke (Democratic Left Alliance). "Bu there are certain rules of decency which demand that the prime minister be informed of such important decisions. Although the head of military counterintelligence is not a political figure, he sits between the military and politics, if only because he watches the morale and opinions of the commanding staff."

Recall of UOP Head 'Matter of Time'

WS2903140695 Warsaw GAZETA POLSKA in Polish 1 Apr 95 p 3

[Article by "/s/": "Czempinski on His Way Out"]

[FBIS Translated Text] Information that we once received seems to have been confirmed. The position of Gromoslaw Czempinski, head of the Office of State Protection [UOP], is very weak and his recall is now only a matter of time.

The atmosphere surrounding Czempinski has recently become even more unpleasant, because the West expressed concern over the fact that the Polish special services, particularly UOP, are not efficient enough in protecting the Polish borders from the smuggling of fissile materials, arms, and drugs, which is a threat to the security of Poland's Western partners.

Czempinski, who is already on his way out, has formed an alliance with the Democratic Left Alliance [SLD] in hopes of saving his job.

According to our informants, the UOP head and SLD politicians have recently made a deal on cooperation of the civilian special services with the postcommunists in the political fight against Lech Walesa and other competitors. In return for this assistance, SLD has promised Czempinski protection from the Belvedere.

A spectacular manifestation of this contract was the meeting that Oleksy held on 17 March with the UOP leadership.

It is worth recalling that the UOP head is appointed and recalled by the prime minister on the motion of the internal affairs minister; the Ministry of Internal Affairs is considered one of the so-called presidential ministries.

No Compromise Solution on GS Head's Status Found

WS3003121795 Warsaw ZYCIE WARSZAWY in Polish 30 Mar 95 p 2

[Report by "LUZ": "Okonski: Easier Said Than Done"]

[FBIS Translated Text] *The defense minister compromise solution regarding to whom the head of the General Staff [GS] of the Polish Army should be subordinated is still unknown. Impatient deputies have dismissed as unrealistic assurances that a compromise is possible.*

More than two weeks ago Zbigniew Okonski announced that he had found a compromise as to whom the head of the GS of the Polish Army is to be subject. It was to reconcile the president (who would like the head of Staff to be partly subject to him), and the parliament (which

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claims that the head of Staff should remain subordinated to the defense minister). Two different projects have been lying at the Sejm since Janaury. Okonski has not revealed any details as yet.

"Maybe we will reach an agreement, but it will be difficult to translate it into legal language," the "presidential" minister told journalists yesterday, summing up his talks to date with parliamentarians and the prime minister. One of the deputies has told us that Okonski sees the "compromise" as, among others, the president's right to dismiss the head of the Ministry of National Defense.

The deputies no longer believe any declarations from the Belvedere about a willingness to reach a compromise. Yesterday, the Sejm subcommission examining two draft laws on the prerogatives of the defense minister and the head of Staff decided to send the presidential draft to the legislative commission, where deputies will investigate whether provisions suggested by Lech Walesa would violate the Constitution or not.

Such doubts had arisen some time ago, and have been recently confirmed by the Sejm's legal experts on the Constitution.

SLD Leader Comments on Concordat With Vatican

LD2903192295 Warsaw Polskie Radio First Program Network in Polish 1717 GMT 29 Mar 95

[FBIS Translated Excerpt] The Sejm has dropped from its agenda the item concerning a report by the special commission that is working on the draft law on the ratification of the concordat. The deputies, mainly from the Democratic Left Alliance [SLD] and the Labor Union, have voted not to examine at the current session the report prepared by the special commission on the ratification of the agreement with the Vatican. The commission decided that the concordat was compatible with the Constitution. The deputies also rejected the motion tabled by the Polish Peasant Party [PSL] deputies requesting a change of the work procedure on the concordat, so that the agreement with the Vatican could be adopted before the passing of the new constitution. [passage omitted]

In the opinion of SLD leader Aleksander Kwasniewski, failing to ratify the concordat would be harmful to Poland.

[Begin Kwasniewski recording] In my opinion, there would be at least three consequences of a rejection of the concordat.

The first one would be publicity, a lot of fuss both in Poland and abroad. Abroad, in some countries and some circles in particular, it would be received with a certain amount of joy that the Polish parliament said no to the Polish pope.

Taking into account Poland's internal circumstances, such a decision would radicalize the numerous right-wing groupings and a considerable part of the church hierarchy. There would be a sharp attack against us, against those who voted against the concordat. Society would be drawn into this debate and, consequently, the atmosphere around these issues would become aggravated. In my opinion, these issues require a subtle approach, restraint, and prudence when it comes to state-church relations.

For the coalition this would be a difficult problem because the opinion of the PSL on the concordat is different to ours. I am afraid that the issue of the concordat could be used as an attempt to make the internal functioning of the coalition more difficult. [end recording]

Poll Shows Kuron Most Trusted Politician

WS3003112095 Warsaw RZECZPOSPOLITA in Polish 30 Mar 95 p 2

[Article by R.W.: "CBOS Poll; We Believe Politicians More Than We Did"]

[FBIS Translated Text] Since February the person who has managed to win the most social confidence is Jozef Zych, former deputy speaker, and now speaker, of the Sejm. The only person who lost some of the people's confidence is Grzegorz Kolodko, deputy prime minister and finance minister. Jacek Kuron still tops the list; he is well ahead of his rivals. The poll was conducted early in March by the Public Opinion Research Center [CBOS].

March saw an increase in confidence in nearly all politicians, irrespective of their political views. CBOS researchers believe that this supports the opinion that if politicians appear in media more often, their ratings go up.

Politicians that gained the most over the month are: Jozef Zych (10 percentage points), Lech Falandysz and Lech Kaczynski (9 points), Jozef Oleksy (8 points), as well as Leszek Miller and Jan Olszewski (7 points each). The number of persons who trust Ewa Spychalska and Adam Strzembosz remains unchanged, and Grzegorz Kolodko lost some of his supporters (4 percent).

The person who is evaluated very negatively is Mieczyslaw Wachowski, secretary of state in the President's Chancelory: half of the respondents do not trust him. Walesa's position is hardly better (44 percent declare distrust and 39 percent—trust). Also 44 percent of the respondents do not trust Leszek Moczulski, leader of the Confederation for an Independent Poland.

Every fourth resident of our country declares indifference toward Jan Olszewski; persons indifferent to Ryszard Bugaj and Marian Krzaklewski comprise a bit less than that. The respondents also often said they were

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"indifferent" to such politicians as Tadeusz Mazowiecki, Jozef Zych, Wlodzimierz Cimoszewicz, and Leszek Miller.

More than half of the Poles do not know who Leslaw Podkanski (former minister of foreign economic cooperation) is, despite the "storm" in the press over his activities. Nearly as many people are unfamiliar with the name of Adam Strzembosz (first president of the Supreme Court and one of the first candidates for president), and Deputy Prime Minister Aleksander Luczak.

Politicians We Trust the Most

	Percent
Jacek Kuron	81
Jozef Oleksy	68
Tadeusz Zielinski	62
Aleksander Kwasniewski	59
Andrzej Olechowski	57
Hanna Gronkiewicz-Waltz	53
Tadeusz Mazowiecki	53
Waldemar Pawlak	53
Hanna Suchocka	50
Jozef Zych	49

* * *

The poll was conducted between 4 and 6 March on a 1,208-person representative sample of adult residents of Poland.

Ministry To Open Pre-1956 Security Archives

LD3003120195 Warsaw Polskie Radio First Program Network in Polish 1005 GMT 30 Mar 95

[FBIS Translated Text] The Ministry of Internal Affairs Political Advisory Committee is discussing a draft decree on making the archives of the former Ministry of Public Security available to courts, prosecutors, historians, and other people and institutions. It is expected that after the committee issues its recommendations, Minister of Internal Affairs Andrzej Milczanowski will decide to open up these archives. If the decision is positive, about 3,500 meters [as heard] of the current investigation material will be made available. They also include operational and administrative materials of the former Security Office, with the exception of the secret files concerning collaborators and other so-called personal data on sources of information.

Consequently, documents that will make possible the identification of the former agents will not be declassified. According to the announcement, 1956 will remain the cutoff point.

Zbigniew Sobotko, deputy minister of internal affairs, has ruled out the possibility of declassifying the files of the former Public Security Office and Security Service from the period after 1956. According to Sobotko, it is too early to declassify more recent documents. In his opinion, the publication in recent years of some personal files, which were not fully checked, has led to virtual dismantling of the institution of security agents in Poland at all levels.

'Resentment' Among Border Officials Over EU Rules

MM3003131495 Szczecin GLOS SZCZECINSKI in Polish 24 Mar 95 p 1

[Article by "MDR": "Poles Made Into Second-Class Citizens—The Horror Starts on Sunday"]

[FBIS Translated Text] The day after tomorrow, Sunday 26 March, the enabling legislation designed to make the EU's borders more impermeable comes into effect. It represents the "aftermath" of the treaty signed by the then EEC states in Schengen as long ago as 14 June 1985.

No one knows what the implementation of the regulations will look like in practice. Only the guidelines are known so far. And these place all people living outside the official EU borders in the category of second-class citizens.

A while ago the German side demanded that the Polish side designate a special border traffic lane for EU citizens. Officials working at our border crossing points say that there was talk of designating one additional traffic lane, to be open exclusively to German travelers. It is claimed that traffic control at these lanes will be applied selectively, but in practice it will probably be reduced to a formality. All the efforts of the German border services will concentrate on controlling the third lane, designated for the citizens of non-EU countries. Here, an obligatory computer check will be run for every person intending to cross the border to ascertain whether in the past he or she has come into conflict with the law in any EU country.

At a special conference held 8 March this year, the Polish Border Guard chiefs rejected the German demands. It was stated unequivocally that the authorities are opposed to all attempts to divide traveling citizens into categories. In theory, even if someone entertained the thought of giving in to our neighbors' demands, that idea could not be put into practice. The existing infrastructure at border crossing points on the Polish side does not permit even the designation of a separate footpath.

Hurried earthwork operations are currently being carried out on the other side of the border. "The Germans want to show off," people on the border comment, "and demonstrate to the world that it is the Poles, with all their pretensions to joining Europe, who have yet again caused trouble."

Our western neighbors plan to open eight traffic lanes at the border crossing point in Lubieszyn and 11 lanes at Kolbaskowo. In practical terms, this will not shorten the waiting time at the border, in any case. A bottleneck will

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be caused not only by the narrowed entry thoroughfare on the Polish side, but also by the time required for the prescribed meticulous checks to which all "non-Unionists" must be statutorily subjected. It is estimated that it will take at least 20 minutes for an average passenger vehicle with four Polish citizens to be checked.

A Polish vehicle could also be turned back from the border for a variety of reasons. These could include, for example, the lack of a pair of rubber gloves in the travel kit, unsatisfactory standard of the vehicle's cleanliness, incorrect composition of the exhaust gases, dirty engine, and so on. We already had a preview of the things to come: first, a year ago in Osinow and, more recently, last Wednesday in Krajnik, where the German side was carrying out a test border control operation. Seven out of 10 Polish cars were turned back from the border.

"From 26 March Poland will be counted among the barbarian countries," the people working at our border crossing points comment with considerable resentment, and then add bitterly: "This is our reward for the events of the eighties and for our contribution to the destruction of the Berlin Wall."

Government Initially Approves Reprivatization Bill

WS2903143495 Warsaw RZECZPOSPOLITA in Polish 29 Mar 95 p 9

[Article by Ada Kostrz-Kostecka: "Council of Ministers on Privatization and Reprivatization; State Will Return Property Only in Exceptional Cases"]

[FBIS Translated Excerpt] On 28 March the government discussed two bills: the bill on compensation for the loss of real estate illegally taken over between 1944 and 1962, and the bill on commercialization and privatization of state-owned companies. The basic concepts of both bills were approved.

The final versions of the documents are to be prepared within a month by teams of people assigned specifically for this purpose; in both cases the teams will be headed by Deputy Prime Minister Grzegorz Kolodko. During this time the new privatization law is to be consulted with trade unions. The bill will no longer be discussed by the Economic Committee of the Council of Ministers (the mode of work is different because these issues are analyzed by the sixth team of the "Strategy for Poland"), and it is to be sent to the Sejm as urgent, so that the law will be effective in July.

Reprivatization

In the case of the law on compensations, the deadline for the government is the end of June; the deadline has been set by a resolution passed by Sejm deputies. However, as Privatization Minister Wieslaw Kaczmarek reported during a briefing, he will try to send it to the Sejm as early as May.

The law on compensation for the real estate taken over illegally is in line with the governmental bill, which the Pawlak cabinet worked on. It is assumed that priority is given to compensation, not to returning property in kind. Thus, compensations would be paid in the form of compensation vouchers [bony rekompensacyjne] valid for 10 years and subject to valorization. The indemnity would be degressive (only if the sum did not exceed 200,000 zlotys, or 2 billion old zlotys would one be entitled to get the entire equivalent of the sum; above this sum the size of compensation would be gradually decreased), which means that, on average, approximately 63 percent of the claims would be satisfied. Approximately 500,000 motions have been submitted to date, and claims exceed 20 billion new zlotys.

Minister Kaczmarek said that the team would try to find ways to return people's property if it is incompetently administered and if its former owner can be found. The issue is not very difficult if the property now belongs to the State Treasury—in such a case the former proprietor would have the right to make a preemptive offer to buy it and he might pay for it with compensation vouchers. If the property belongs to gminas [smallest administrative units], the situation is more complex because—as Minister Kaczmarek said—gminas are autonomous and some of them are already protesting any possibility of selling their property for compensation vouchers. The situation becomes most complicated if the real estate has already been bought, in good faith, by a third person.

The team is also supposed to consider the possibility of granting compensations for movable goods (such as family souvenirs, as well as property owned by pharmacies, inland ships, machines, equipment, and reserves in nationalized industrial plants).

It is assumed that the vouchers would serve as payment for shares provided from the reprivatization reserve; they could also be used to buy land offered by the State Treasury Agency for Agricultural Marketing. The bill also takes into account people who lived across the Bug river.

Commercialization and Privatization

The bill on commercialization and privatization (which was presented in greater detail in the 28 March issue of RZECZPOSPOLITA) envisions gradual commercialization, regarded as the next stage before privatization. This is the concept that the government adopted. According to estimates by the Privatization Ministry, approximately 400 or 500 state-owned companies are fit for capital privatization, and these companies would be first to be commercialized. Minister Kaczmarek said that such commercialization does not mean that the Privatization Ministry will have "superpowers." The minister will be able to delegate the powers of the State Treasury representative to former founding organs.

Another important point about the new law are provisions concerning commercialization that involve conversion of debts. This will make it possible to improve the financial health of approximately 800 companies.

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The bill proposes that employees' shares (15 percent free of charge) should not be sold within a year from the day they were received. However, there were also suggestions to extend this period to two years.

Claims Resulting From Rulings

Government Spokesperson Aleksandra Jakubowska said that at a government session Deputy Prime Minister Kolodko explained that as much as 11.3 billion zlotys (113 trillion old zlotys) must be paid additionally as a result of the rulings handed down by the Constitutional Tribunal so far. The only way to satisfy these claims is to use privatization for this purpose. Two ministries—the Privatization and Finance Ministry—are supposed to consider possibilities for satisfying these claims.

Normalization and Land Real Estate

The government also approved a bill on amending the law on normalization, which proposes that the date for replacing over 3,000 branch norms with the Polish Norms be postponed to the end of 1997 (the original date—3 June 1995—has proved unrealistic). [passage omitted]

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Government Accused of 'Betrayal' on Treaty Issue

AU2903134295 Bucharest AZI in Romanian 24 Mar 95 p 3

[Article by Radu Calomfirescu on statements by PD Vice President Adrian Severin: "The Romanian-Hungarian Treaty—The Authorities Have Won Political Capital to the Detriment of Securing Borders"]

[FBIS Translated Text] "The majority coalition is guilty of betraying Romania's interests by not signing the Romanian-Hungarian basic treaty," said Adrian Severin at the PD [Democratic Party] news conference. He said that our country finds itself as isolated in the international arena as it was in 1940. "Those in power are gathering political capital by creating this false problem of the Hungarian minority, but fail to clearly ensure the borders of our country through the treaty with Hungary." During the negotiations, several aspects were concealed from the public. Hungarian Prime Minister Gyula Horn telephoned President Iliescu, asking him to intervene for the deblocking of negotiations. He did not receive an answer. Later, Prime Minister Horn offered to come to Bucharest to jointly work out a compromise aimed at solving the problem. He was diplomatically refused. Eventually, in Paris, the Hungarian side proposed the signing of the bilateral treaty on the spot, and to include the clause that the controversial points would be reexamined and renegotiated later. Premier Vacaroiu refused this.

Adrian Severin believes that both the great majority of the opposition and the press were drawn into a trap by those currently in power. Examining the "nag" of the treaty, namely Recommendation 1201, one can say that it can fully be found in the Romanian legislation currently in force. The fact that this legislation is not applied is also part of the political will of the current regime. Moreover, the greatly objected to provisions regarding the collective rights of minorities cannot be found in the aforementioned Recommendation. Even the controversial Article 11 stipulates only certain rights not for minorities but for "persons who belong to minorities." "Our current legislation does not forbid persons who belong to minorities to occupy leading positions in local administrations or mayorships to benefit from autonomy. And precisely these are the provisions included in Recommendation 1201," said Mr. Severin. Besides, from the instant the Council of Europe recommendation was formulated and adopted, the political forces in Romania, the parliament, the government, and the president pledged to respect it. "The question that arises now is: Why did they not notice the unacceptable nature of the Recommendation at the very beginning? And if they adopted it then, and today they consider it an attack against the national security, then they are guilty of betrayal at the respective time."

Severin continued by saying that this sad event points at both the winners and the defeated. The greatly defeated side is Romania, because apart from international isolation, it has neither stable borders nor can it join NATO. Hungary is a half-defeated side because it lost ground in the race for Euro-Atlantic integration. The winner is Slovakia, because it will benefit from everything that Romania and Hungary lose. However, Russia will collect the cream, killing two birds with one stone—that is, two countries at the same time will be delayed in joining the Western military structures, a quieting fact for our great neighbor to the East.

PMLDR Leader Explains Party Policy

AU2903162595 Bucharest ADEVARUL in Romanian 24 Mar 95 p 2

[Article by Silviu Achim containing interview with PMLDR General Secretary Istvan K.Molnar; place and date of interview not given: "We Do Not Want To Be Anybody's Vassal, not Even of the Democratic Union of Hungarians in Romania"]

[FBIS Translated Text] *The Hungarian Free Democratic Party of Romania [PMLDR] was established more than 5 years ago and most of this time kept silent, practically leaving the UDMR [Democratic Union of Hungarians in Romania] the task of ensuring the political representation of Hungarians in our country. Some explain this absence by the pressure applied by UDMR supporters and representatives determined to keep by all means the status (with which it appeared on the political scene) as the sole spokesperson of our Hungarian fellow citizens. Others are talking about a deliberate withdrawal, meant to leave the necessary respite to elaborate a program of coherent and credible actions and possibly establish a more efficient organizational structure. Both of these reasons might be possible. However, one thing is certain—namely, that while the UDMR's image is eroding in the eye of its own electorate because of the radicalization of its actions, the PMLDR has made its entrance in the arena of political confrontation.*

The talks we held with Istvan K.Molnar, general secretary of the party, is an attempt to respond to the interest showed by our readers in this political group. Even if sometimes one should read between lines.

[Achim] What is the policy promoted by the PMLDR?

[Molnar] We are liberals to our backbone. Thus, we support all the ideas that belong to liberalism.

[Achim] Which are the social groups that you turn to?

[Molnar] We want to become the party of entrepreneurs.

[Achim] In a document you issued recently, you severely criticize the UDMR. What for?

[Molnar] What we cannot accept in case of the UDMR are mainly organizational problems and the way of implementing certain ideas. Considering that we are liberals, we do not accept even a nuance of hegemony. If somebody speaks with us on an equal footing, then we

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are always ready for dialogue. However, we do not accept to be anybody's vassal—not even of the UDMR. Thus, our differences in this respect stem mainly from the fact that they are in the habit, just as in the past, of telling us exactly what we have to think. We want to express what we think. Others do not have to formulate ideas for us.

[Achim] What are your ideas about the UDMR's collective autonomy claims?

[Molnar] We believe that this is the problem of two countries and of two governments (!?) that will never ask us what they have to do, because they do what they believe is good and, certainly, they are responsible for their deeds. We would really like one thing: namely, to have that accord [the Romanian-Hungarian treaty—editor's note] already concluded, and end this dragging on of the problems, because it is harmful for both sides. The accord should be signed, so that life can continue more peacefully, in the interest of the progress of the two societies.

[Achim] Is your party in favor of autonomy?

[Molnar] We are down to earth and are minding our own business.

[Achim] What is your opinion about the political-organizational structures established by the UDMR, which create a certain suspicion among the Romanian population about the UDMR's intentions?

[Molnar] I believe this will not frighten Romanians in this country.

[Achim] The PMLDR document that I mentioned before notes that the UDMR no longer represents the real interests of Hungarians in our country. What are those interests?

[Molnar] You see, this should be the subject of a more thorough analysis, that we cannot achieve within this framework. Half jokingly and half seriously, I can give you the following answer: We want to give people a bit of bread, because they get enough circus from others.

[Achim] Do you believe that it is possible to achieve cooperation with one of the UDMR's platforms?

[Molnar] I am going to answer you also by giving you an example. In my home, if I have five children and each of them says what he wants, then I, as father, scream at them and all fall silent. We represent the naughty child that does not fall silent. Thus, I do not really see how we could have a place within the UDMR. The UDMR is the UDMR. We are a political party.

[Achim] ...But what about the Romanian parties?

[Molnar] Each party wants to implement its program—provided that it is not a single party as the Communist Party used to be in the past—so it is compelled to enter certain alliances that might be more or less durable. We are neither extremists nor exclusivists. Those who make a contribution to the progress of the country where we live are certainly always welcome as partners in discussion or as partners in a coalition. Except in the case of extremists. With them we do not want to enter into an alliance.

[Achim] With Romanian or Hungarian extremists?

[Molnar] With neither.

PNL-CD Reelects Cerveni as President

AU2903165295 Bucharest ROMANIA LIBERA in Romanian 27 Mar 95 p 3

[Article by Clementina Filip: "The PNL-CD Considers the Unity of the Liberals and That of the Democratic Convention a Priority"]

[FBIS Translated Text] The congress of the PNL-CD [National Liberal Party-Democratic Convention] held at the end of last week in Bucharest had to solve three issues: adopting a position with respect to the unification process of the liberal movement, altering the party statute, and electing its leadership bodies.

One could say that liberal unification was the recurrent issue dominating the congress. "We have to strive to achieve the unity of the liberals and that of the Convention [Democratic Convention of Romania, CDR], as well as to devise an alternative governing program," emphasized the chairman of the PNL-CD. For the guests attending the congress, the most interesting messages were delivered by the representatives of their "brother" parties—namely the PNL [National Liberal Party] and the PL '93 [Liberal Party '93]—who presented different points of view regarding liberal unification. Whereas [PNL president] Mircea Ionescu Quintus favored the idea that the unification ought to be done solely with the liberal parties that belong to the CDR, Dinu Zamfirescu [PL '93 Steering Committee member] proposed that the two parties (PNL-CD and PL '93) should themselves set an example to be followed in liberal unification, after which he recommended that a unification congress of the two parties should be organized before the end of May. "The cause and beliefs of liberalism are a priority," stressed the PL '93 leader.

For his part, CDR President Emil Constantinescu, who had just returned from Iasi, emphasized the need for the liberal parties' merger to be completed as soon as possible. "The liberal unification is not just a dream; it has to become reality," declared Professor Constantinescu adding that "the people have urgently to see a larger liberal party emerge in the CDR, to see two historical parties united in a historic alliance against a historical enemy: the Communist Party, regardless of the name it currently bears."

During the debates on the party statute, the delegates refused to alter the name of the party, turning it into the "National Liberal Alliance." However, they agreed that at the liberal unification congress to be held in the future,

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each party should be represented by an equal number of people so as to rule out from the very beginning the decisions of the new forum's being contested. Furthermore, they also agreed that the PNL-CD should have six vice presidents and that the party congress should be held every other year.

By secret ballot they elected the president and members of the PNL-CD National Committee. Nicolae Cerveni was reelected PNL-CD president, unopposed.

Spokesman Sees No Chance for 'Great Coalition'

AU2903183995 Bucharest VOCEA ROMANIEI in Romanian 27 Mar 95 p 2

[Interview with PNTCD spokesman Senator Radu Vasile by Adela Dinica; place and date not given: "Little Chance for the Great Coalition"]

[FBIS Translated Text] [Dinica] The recent upheaval within the Democratic Convention of Romania [CDR] has led to a split in this political alliance. From your viewpoint, what important element has led to this break?

[Vasile] As a matter of fact, the latest developments within the CDR were only to be expected, and amounted to a recognition of an actual situation that has existed for almost a year. Consequently, one cannot talk about an ultimatum or some forceful maneuver. We believe that we have reached a certain point that concludes a very agitated period in the CDR's development. Of course, several elements have played an important role in this separation of the political forces within and outside the CDR. A key element was the personal one, which took the form of conceit and political ambitions. In most cases, these ambitions were not justified by either the reality or the other partners, or the public at large, who did not accept them. All the problems were created by political groupings without a great impact either at a local level or among the public at large. The National Peasant Christian Democratic Party [PNTCD] was accused of occupying a hegemonic position or of imposing its point of view. Similarly, they contested Emil Constantinescu's candidacy for the presidency. They also raised the issue of participating in the elections on separate lists. If all these challenges had come from strong parties that are recognized as such, then the matter would have been real and negotiable. Our party has given in on many occasions, in order to maintain the CDR's unity, but it seems this attitude was taken for weakness, and the arrogant attitudes of certain figures continued to prevail.

[Dinica] Does the break up of the CDR, as it has occurred, represent a gain or a loss for the opposition?

[Vasile] What is certain is that the departure of the Liberal Party 1993 [PL'93]—although not all of it has left the Convention—the Civic Alliance Party [PAC], the Social Democratic Party of Romania [PSDR], and the Democratic Union of Hungarians in Romania [UDMR]—the latter has practically never belonged to the CDR electorally—will clarify not only the system at the basis of the CDR, but Romanian political life, as well. As could be seen, not all of the PL'93 has left; a group of nine members of Parliament has remained in the CDR. Compared to the tough and uncompromising statements of the PL'93 leaders, the statements of the PAC leaders are rather ambiguous about their position. Therefore, I believe these political groupings have not yet said their last word on the matter. In our opinion, no party will obtain a majority at the next elections, even if the electoral system is changed to the uninominal vote. The existence of these political groupings outside the CDR but within the opposition can have a positive impact.

[Dinica] What about the Civic-Liberal Alliance?

[Vasile] In my opinion, it has lost its meaning. I do not see how you can have a Civic-Liberal Alliance with two parties inside the CDR and two outside. A Civic-Liberal Alliance, if it were achieved, could only function within the CDR. The same applies to the "Great Coalition," which consists of political groupings that were strongly at loggerheads two-to-three months or a year ago. Therefore, the "Great Coalition" remains a mere phrase ventilated on our political scene, which will probably never materialize.

[Dinica] How do you view developments in the Romanian political landscape?

[Vasile] In this political context, things might become more complicated, but also more simple. It depends. I believe that all political groupings are showing a greater flexibility and openness in picking their alliance partners. At the same time, one should bear in mind that the electorate prefers to make a simple choice: between the opposition and the government. Elections on the basis of very nuanced options—liberal, Christian-democratic, or social-democratic—have no chance of success in Romania. I think the time has come for all political groupings to rethink their political strategy and tactics. There is more maneuvering room for opening or reopening new alliances. I think this is a good development, but unfortunately it will create confusion among the whole electorate.

[Dinica] If the "Great Coalition" comes to pass, can one say that the PD has gained some points?

[Vasile] It is very possible—in some cases even certain—that the PD's maneuvering of the last few months has led to this situation. Anyhow, Mr. Roman's party has played a role in all this. It is possible that the turbulence within the CDR might have damaged the CDR's image among the voters. But I am certain that the CDR electorate will not defect to the PD. It is also true that all this maneuvering might bring the PD a part of the undecided voters, since it is projecting an image of dynamism and of a party made up of people who know what they want. Hence, they only stand to gain from all that.

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Analyst Says KGB Helped Iliescu to Power

AU2903184095 Bucharest ROMANIA LIBERA in Romanian 27 Mar 95 p 24

[Article by Livia Saplacan: "Igor Toporovskiy, Director of the Russian and World Political Studies in Moscow, Confirms That the KGB Helped Ion Iliescu To Come to Power," dated "March 1995, Nice"]

[FBIS Translated Text] "If in East Germany Honecker was eliminated through the efforts of the CPSU [Communist Party of the Soviet Union], in Romania, the fall of Ceausescu was provoked with the assistance of the KGB." This statement was made by Igor Toporovskiy, director of the Russian and World Political Studies Institute in Moscow, a person who belonged to the entourage of the former CPSU and Mikhail Gorbachev—and was made at the international conference organized by the Academy for Peace and International Security held in Nice. Asked to give more details in connection with his statement, Toporovskiy said: "I am convinced that without the KGB and the direct support of the Soviet Union, Ceausescu's fall would not have taken place, and the Romanian revolution would have failed." However, the Russian representative said that there were no clear official records about how this assistance was provided, but it is certain that President Ion Iliescu profited from it to become first temporary and later proper head of state. There was also considerable armed support granted to eliminate those who were loyal to Ceausescu. The Russian political analyst backs the idea that the decision to eliminate Ceausescu was taken by the CPSU's Central Committee—or, more precisely, the Politburo, in 1989. A less-desired scenario was used because the Romanian Securitate Services, the majority of whom were loyal to Ceausescu, supported him to the very end. Ion Iliescu had in those days rather close relations with the CPSU and was designated as the best candidate to replace Ceausescu, Igor Toporovskiy said. This was in line with Gorbachev's wish that Romania have a reform-supporting socialist leader, who could share his ideas.

"We chose the moment when Ceausescu was in Tehran because it would have been difficult to launch such an action at any other time," the quoted source mentioned. Similarly, according to the statements of the Moscow Institute director, there was also, as well, moral and political support from the United States, which also wished for changes, but there was no cooperation at an operational level. "In fact, the Americans did not have adequate means for this," Toporovskiy said. It would be farfetched to say that the current SRI [Romanian Intelligence Service] has the blessing of the KGB, said the Russian political analyst, but there is cooperation between the Romanian and Russian services. "More and more unofficial declarations will be issued, and it is possible that in the near future documents will emerge to show how that operation was carried out and to what extent President Iliescu or others were involved," Toporovskiy suggested at the end of the conference in Nice.

Parties Oppose Ban on National Symbols

LD2903183795 Budapest Duna TV in Hungarian 1600 GMT 29 Mar 95

[FBIS Translated Excerpt] The fact that the Romanian Senate yesterday passed a bill banning the use of national symbols has given special importance to the talks between the Federation of Young Democrats [FIDESZ] and the Hungarian Democratic Union of Romania [HDUR; in Romanian, UDMR]. Our reporter spoke to Zsolt Nemeth, deputy chairman of the FIDESZ parliamentary group, and HDUR Deputy Chairman Zoltan Dezsi

[Begin recording] [Dezsi] It is unbelievable, a total ignorance and obstruction of democratic development, the consequences of which cannot be seen at the moment. The HDUR resolutely protests against it. Not only the Hungarian, but every minority of Romania is under threat. In our view, this step, unfortunately, is a result of a process. In my view, this process does not seem to stop.

[Nemeth] We consider it as another provocation at a time when certain politicians are trying to achieve rapprochement. It is clear that this has a scenario. [passage omitted] I am of the view that these steps and the Romanian attitude during the talks on the basic treaty unambiguously demonstrate that Romania, for the time being, is unsuitable for the Euro-Atlantic integration. [end recording]

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Declaration on Human Rights Violation in Sandzak

AU2903191095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1520 GMT 29 Mar 95

[Text of the draft "Declaration on the Violation of Human Rights in Sandzak," read by Bosnia-Herzegovina Prime Minister Haris Silajdzic in the Bosnia-Herzegovina Assembly in Sarajevo—live]

[FBIS Translated Text] On the basis of Article 304, Paragraph 1, Section 24 in connection with Article 308, Paragraphs 2 and 3 of the Constitution of the Republic of Bosnia-Herzegovina, and Article 151 of the Rules of Procedure of the Assembly of the Republic of Bosnia-Herzegovina, [words indistinct] the Assembly of Bosnia-Herzegovina at the joint session of 29 March 1995, discussing the position of the Bosniak Muslims in Serbia and Montenegro, and especially in Sandzak, has passed a declaration on the violation of human rights and freedoms of the Bosniak Muslims in Sandzak and other parts of Serbia and Montenegro.

The Assembly of the Republic of of Bosnia-Herzegovina stresses with concern that terror and violence against Bosniak Muslims in Sandzak and other parts of Serbia and Montengro are carried out simultaneously with the Serbian-Montenegrin aggression on the Republic of Bosnia-Herzegovina. The brutal violation of human rights and freedoms carried out by Serbia and Montenegro have escalated into genocide against the Bosniak Muslims in Sandzak.

The systematic violation of human rights and freedoms, mass arrests, abductions and killings, staged political trials, forced mobilization, persecution, and ethnic cleansing of populated areas, the plunder of property, the disregard for religious freedom, the failure to recognize the national and religious institutions of the Bosniak Muslims, bans on political organization and activity of Bosniak Muslims, the deprivation of the right to work, and other forms of economic repression are intended to effect the destruction of the national, religious, and cultural identity of the Bosniak Muslims.

The extremely serious situation in Sandzak is causing the degeneration of the peace process on the territory of the former Yugoslavia and represents a threat to international peace and security. With this kind of behavior, Serbia and Montenegro are violating the UN Charter and other international acts on human rights and freedoms of the United Nations and the OSCE [Organization on Security and Cooperation in Europe].

The Assembly of the Republic of Bosnia-Herzegovina demands from the UN Security Council, the Council of Europe, the OSCE, the EU, the Organization of Islamic Countries, and the International Conference on the Former Yugoslavia to take immediate and decisive measures to protect the Bosniak Muslims in Serbia and Montenegro.

The Assembly of the Republic of Bosnia-Herzegovina appeals to the parliaments and governments of the United States, the Russian Federation, the Federal Republic of Germany, the United Kingdom, and the Republic of France to prevent the genocide of the Bosniak Muslims in Sandzak.

The Assembly of the Republic of Bosnia-Herzegovina proposes to the parliaments of the Republic of Hungary, the Republic of Croatia, the Republic of Albania, and other countries whose minorities live in Serbia and Montenegro to take joint action to protect their rights and freedoms.

The Assembly of the Republic of Bosnia-Herzegovina stresses that it will continue its activities in the direction of mutal recognition of the former Yugoslav republics within their internationally recognized borders as this an essential precondition for establishing peace in the Balkans. The Republic of Bosnia-Herzegovina will strive for the autonomy of Sandzak in accordance with the appropriate acts of international law, which will have the necessary international guarantees.

This is the principled issue concerning the denouement of the crisis in the former Yugoslvia, as no one has the right to deprive other nations of what he demands for members of his own nation. The Republic of Bosnia-Herzegovina, respecting international law, will extend support and help to the Bosniak Muslims who fled from Serbia and Montenegro to other countries and will insist with the international community on the creation of conditions for their return to their homes.

The media, scientific, educational, cultural, and other institutions in the Republic of Bosnia-Herzegovina will extend the necessary support in the struggle for the protection of human rights and freedoms and the preservation of the national identity of the Bosniak Muslims in Sandzak and other parts of Serbia and Montenegro.

The Assembly will continue to monitor the position of the Bosniak Muslims in Sandzak and other parts of Serbia and Montenegro and take appropriate measures in accordance with the obligations that the Republic of Bosnia-Herzegovina has toward members of the Bosniak people in their diaspora.

This declaration will be forwarded to international organizations and the parliaments of the countries (?mentioned) in Article 1 of this Declaration. This declaration will be published in the official Gazette of the Republic of Bosnia-Herzegovina.

The declaration is sigend by Miro Lazovic, chairman of the Republic of Bosnia-Herzegovina.

Thank you very much. [applause]

Silajdzic: UNPROFOR Mandate 'Absurd'

AU2903194995 Paris AFP in English 1926 GMT 29 Mar 95

[FBIS Transcribed Text] Sarajevo, March 29 (AFP)—Bosnian Prime Minister Haris Silajdzic Wednesday [29

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March] accused the United Nations of trying to preserve an illusory peace in his country, adding that the present UN Protection Force (UNPROFOR) mandate was "absurd".

Speaking on Bosnian television, Silajdzic said the UNPROFOR mandate, which runs out at the end of this month, "is not adequate to the situation. The whole problem is that the United Nations has been preserving peace in Bosnia, when that peace does not exist," he added.

The UN Security Council is currently looking at ways of keeping peacekeeping forces in the former Yugoslavia, notably by defining new mandates for Croatia, Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and Bosnia. The UN force in the former Yugoslavia numbers some 40,000 soldiers from 39 nations.

"The UNPROFOR we know in Bosnia practically plays the role of an enlarged Red Cross," said Silajdzic, referring to its lack of muscle and alleged lack of resolution. "The mandate is absurd."

"So far the UN has been preserving the status quo," which means continuation of the war, Silajdzic said. Last week, Bosnian President Alija Izetbegovic called for a new, tougher UN mandate in Bosnia, saying there was a gap between the mandate provided by the UN Security Council and implementation on the ground.

Bosnia's UN representative Muhamed Sacirbey has referred to a "chewing gum mandate," stretched to meet the demands of the Bosnian Serbs.

B-H, HVO, Croatian Army Military Talks

LD2903191595 Zagreb HTV Television in Serbo-Croatian 1730 GMT 29 Mar 95

[FBIS Translated Text] Late this afternoon talks ended in Travnik between representatives of the Croatian Army, the Bosnia-Herzegovina [B-H] Army, and the HVO [Croatian Defense Council]. We have an exclusive phone report by Zvonko Bozinovic from Travnik for Croatian TV news bulletin:

[Bozinovic] Corps General Janko Bobetko [Croatian CGS], Major Gen. Tihomir Blaskic [HVO commander for central Bosnia], and Army Gen. Rasim Delic [B-H Army CGS] were supposed to meet yesterday, but a strong snow storm forced the column of Croatian Army and HVO vehicles, led by Gen. Bobetko, to return to Posusje from Mount Vran. The talks in Travnik, hosted by B-H Army 7th Corps Commander Gen. Muhamed Alagic, are the continuation of the recent talks in Zagreb. Gen. Bobetko, Blaskic, and Delic examined the present military and political situation in Bosnia-Herzegovina and Croatia with the aim of promoting mutual cooperation. They agreed to set up a team of experts that will examine all forms of joint activity and financial and technical resources needed for the special-purpose production [weapons]. They agreed in detail on the issues regarding the system of mutual information and communication.

A statement from the meeting says that Bobetko, Blaskic, and Delic were united in the stand that mutual cooperation should be continued in the spirit of the Washington Agreement and the military documents signed earlier by HVO and B-H Army representatives. A joint task and national responsibility of both chief commands is defense from the Serb aggression and the return of refugees and expelled persons to their homes.

The three generals were visibly pleased after the talks. Their statements were filled with optimism and understanding.

A meeting between Gen. Bobetko and Travnik prefect Pavle Nikolic, Mufti Nusrat Efendija [Avdibegovic], and Travnik mayor Muhamed Curic took place in the same spirit.

Meanwhile, explosions have been reverberating through Travnik and its environs as a result of fighting between the B-H Army 7th Corps and the army of the Bosnian Serbs, who wish to restore their recently lost positions on Mount Vlasic. Gen. Bobetko and Blaskic this evening visited the HVO Vitez command. Gen. Bobetko inspected the units under the command of recently appointed Colonel Drago Dragicevic.

Article Says FRY Aids Serb Military Industry

AU2803133995 Zagreb GLOBUS in Serbo-Croatian 24 Mar 95 pp 2-3

[Article by Edo Popovic: "'The Army of Yugoslavia' Sends Its Missiles for Repairs to Banja Luka, and the Steel for Bosnian Serbs' Shells Comes From Niksic in Montenegro!"]

[FBIS Translated Text] The assembly line production of the M-80, a Vidra armored infantry fighting vehicle, started in Banja Luka. The vehicle was designed on the basis of the documentation for the M-80, which was developed at the time when the Yugoslav People's Army existed. It differs only in the shape of its turret, which has a built-in 30-mm automatic gun. There are two Maljutka antitank guided weapons clashes on the turret. Apart from test driving on the test ground near Banja Luka, these vehicles have not yet been seen on the front.

The assembly line production of the Vidra was preceded by the revived production of heavy engines at the FAMOS plants in Hrasnica near Sarajevo. These plants are necessary for the maintenance of equipment that expedites the combat readiness of Bosnian Serbs and for the maintenance of armored units of the so-called Army of Yugoslavia.

Without the services of the Orao Maintenance Institute in Vogosca and its experts, the Serb Air Force could not

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fly. Before the war, the Viper jet engines of the 600 series for Orao, Galeb, Jastreb, and Super Galeb aircraft were manufactured at this institute under a Rolls Royce license. General overhauls of the Tumansky-type engine for the MiG 21 were also performed there. Since aircraft manufacture has not been resumed in Serbia, no engines are manufactured, but the old ones have to be repaired.

The Kosmos Maintenance Institute in Banja Luka is equipped for the maintenance of antiaircraft missiles of the so-called Army of Yugoslavia. In the former Yugoslavia, only this institute could maintain the Dvina, Vohov, Neva, Kub, Strela 1, and Strela 10 missile systems, their radar, and other equipment.

The full activity of this institute can be seen in the photographs taken in 1994 by several Dutch F-16 reconnaissance aircraft flying from the bases in Italy.

Apart from missiles, Kosmos also maintains the most modern antiaircraft gun systems of the Swedish company Bofors used by the Serb Army in Serbia, Bosnia-Herzegovina, and in the occupied territories of Croatia. Without Kosmos, the BROM-1 and BROM-2 antiship missiles, part of the equipment of the Montenegrin Navy, would have been scrapped a long time ago.

In return, Yugoslavia supplies the Serbs west of the Drina River with all necessary equipment for making war there, through direct deliveries of either final or semimanufactured products, which are then finished off in Bosnian plants.

Disproportionate Balance of Power Overcome

The success the Serbs achieved in both Croatia and Bosnia-Herzegovina before 1994 shows that they did not have any problems with weapons and ammunition. Military operations in the Bihac pocket, however, and especially the fights near Kupres and at Livensko Polje proved that the disproportion in the relation of powers, especially regarding the number of barrels and the ammunition quantity, had been overcome.

On the Kupres Mountain and at Livensko Polje, the Croatian units fired more artillery missiles than the enemy for the first time since the beginning of the war. It seems that Bosnian Serbs have emptied huge ammunition magazines in Pale, Han Pijesak, and Ustipraca. Their own ammunition production cannot cover their needs fully, especially for offensives.

The document issued by the so-called Defense Ministry of the Srpska republic, "The Information on the Financing of Ammunition, Mines, and Explosives for the Army in 1994" is very interesting because it contains information that is probably not forged.

The document mentions that the previously defined quantities of ammunition, mines, and explosives will be reduced, so that "per weapon, there should be four combat sets together with available reserves," which points to an alarming condition in the Bosnian Serb Army, because four combat sets are hardly enough to defend the already occupied areas.

Serbian and Montenegrin companies and institutes that deliver raw materials, energy, final products, and know-how to the Bosnian Serbs are also mentioned in the document. The companies mentioned in the document include the Institute of Military Technology, the Technical Experimental Center, both of Belgrade, the iron-casting plant of Kikinda, the ironworks of Niksic, the Sloboda Factory of Cacak, etc.

Defenders' Military Industry

The most important facilities in the field of military industry in Bosnia-Herzegovina remained in the hands of the Muslims and Croats. The Serbs succeeded in occupying only a minor part of the UNIS Company of Sarajevo (The Associated Industry for Specialized Purposes of Sarajevo), the most important complex of military industry on the territory of the former Yugoslavia.

The UNIS Company was founded in 1968 by merging the Igman factory of Konjic, which manufactured small-arms ammunition, the Pobjeda factory of Gorazde, which manufactured cartridge cases and propellants, the Slavko Rodic factory of Bugojno, which manufactured fuses for artillery and rocket launchers, the Slobodan Princip Seljo factory of Vitez, which manufactured explosives and charges for missiles and guns, and the PRETIS factory of Vogosca, which manufactured artillery ammunition and missiles.

The defenders retained the Bratstvo factrory in Novi Travnik (making guns and rocket launchers), the largest part of the ZRAK complex (precision mechanics, optics, and laser technique), and a significant part of Energoinvest, which was not only a company manufacturing military equipment, it became the base of the military industry of Bosnia-Herzegovina in this war.

Of the plants that manufactured military equipment before the war, the Bosnian Serbs got the PRETIS Factory of Vogosca, almost the complete FAMOS complex (engine factory in Sarajevo), the Kosmos Maintenance Institute of Banja Luka, the Rudi Cajavec factory, the tank-testing ground in Zaluzani, and two small plants of the ZRAK complex in Teslic and Ivancici.

The manufacture of artillery and infantry ammunition, the manufacture and the maintenance of gun barrels, and the maintenance of tanks and armored transporters are especially important for the Bosnian Serbs. PRETIS of Vogosca was the most important plant for the production of artillery ammunition and missiles in the former Yugoslavia, it was among the best European companies. It was also the main factory for the production of aircraft bombs for the needs of the Yugoslav People's Army. The FAB 250 computer-controlled aircraft bombs were manufactured here.

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The annual output of the PRETIS factory was 2 million artillery and rocket projectiles before the war. Although the factory is still working, its output is considerably smaller. During the first eight months of 1994, over 120,000 artillery shells were manufactured, including 60-mm and 82-mm mortar shells that were not manufactured in this factory before the war. Ammunition repairs are carried out in PRETIS today, which was not the case before the war. This is a proof of its technological decline.

Problems With Missile Propellant

Further proof of the technological decline is the fact that the assembly line production of M-63 Plamen missiles was resumed by PRETIS in the middle of 1994, although this production was abandoned in the former Yugoslavia as far back as 1977. The project was developed in cooperation with the Institute of Military Technology and the Technological Experimental Center of Belgrade, with the support of experts from the Krusik factory of Valjevo. It is assumed that the missile propellant used in the manufacturing process stems either from Serbian reserves or from Russia.

An impediment to the manufacturing of a more modern version, the Plamen 2 missile, is that Russia does not manufacture that type of propellant: It was manufactured only by the SPS factory of Vitez, which is now in Croatian hands.

Missile propelant is a big problem for the Serb military industry from other aspects too. There was an incident at the beginning of February 1995 in the Milan Blagojevic factory of Lucani near Belgrade, the largest factory for the production of cellulose nitrate propellant, which is necessary for the manufacturing of the two-base missile propellant, with which Plamen, Oganj, and Orkan missiles are filled. The incident happened in the nitroglycerine nitriding plant, which was completely destroyed, so that the manufacturing of two-base propellant in Serbia will be impossible for a relatively long time.

There are many problems that hamper production in PRETIS. First of all, the Army of Bosnia-Herzegovina has almost reached the factory fence in some places. Apart from that, the Muslims control the access roads and entrance to the factory, which is now connected with Pale by a bad road over Mount Ozren.

Because of the proximity to the front, some factory components have been transferred to the Krusik factory of Valjevo, in which artillery ammunition and missiles are manufactured. This factory also manufactures Strela 2M antiaircraft missiles.

The next problem is that of experts and the work force. Muslim and Croatian experts no longer work at PRETIS, and some of the Serb experts left the factory and went abroad.

Vying for Experts on Cartridge Cases

The Pale leadership solves this problem by bringing experts from Serbian factories, primarily from the Krusik factory, but also from the Sloboda factory of Cacak (a manufacturer of ammunition for antiaircraft guns) and from the Institute of Military Technology in Belgrade to Vogosca. From the free part of Sarajevo, they seized Zivko Terzic, a leading expert in the manufacture of large-caliber cartridge cases, whose help was necessary in order to start the manufacture of cartridge cases.

There are problems with the work force too, because PRETIS had 7,000 employees before the war. Within the same factory, there were also plants for the production of bearings and cars, in which over 5,000 people were employed. Over 50 percent of the employees were Muslims. A certain number of Bosnian Serbs were demobilized in mid-1994 so that they could start work in the Vogosca factory.

The basic material for the manufacture of cartridge cases is copper. There is no copper in the part of Bosnia-Herzegovina controlled by the Serbs, but there are copper deposits in Bor and Majdanpek in Serbia. The Slobodan Penezic Krcun factory of Sevojno, a large complex for the processing of nonferrous metals, supplied PRETIS with brass, which was used for the manufacture of cartridge cases. This problem is partially solved today with cartridge cases for multiple use, which is quite normal in wars. Cracked cases are cleaned, recalibrated, refilled, and sent to the front.

Before the war, the steel for shells was delivered to PRETIS by the Zenica and Niksic ironworks, and it was bought from Spanish, German, and Czech ironworks. There is only one supplier today—the Niksic ironworks. In return, Pale supplies Niksic with gas, scrap iron, and iron alloys.

Apart from other elements, such as carbon, manganese, and chromium, silicon is also needed for the production of steel. Silicon is, after carbon, the second most important element in the production of steel. Elektrobosna of Jajce produces ferrosilicon and is therefore important not only for the Bosnian Serbs but also for Serbia, because iron alloys, which are a strategic raw-material, used to be produced in The Former Yugoslav Republic of Macedonia [FYROM] (by the FENI factory), in Kosovo, and in Sibenik, Croatia. In order to be able to supply the Serb military industry with ferrosilicon, its production started in one of the furnaces in the factory in Jajce.

PRETIS Is Completely Dependent on Serbia

PRETIS used to buy propellants and explosives in Vitez before the war. After the explosion in Lucani, however, the Serbs will have to rely on Russian propellants for missiles and rocket launchers. They receive explosives from the Prva Iskra Factory of Baric near Obrenovac, which produces TNT and hexagon.

The factory is a large consumer of electric energy, oil, and gas, and there are major problems with their transportation to the factory. Therefore it—for example—

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buys final castings for mortar shells, like the one that exploded in the Markale market in Sarajevo. For 1994, it was agreed that the Kikinda plant would deliver 100,000 cast cases for 120-mm and 80-mm mortar shells.

There are problems with spare parts for machines. Most of the technology is of French and German origin, so that, apart from a tool-making plant, leading experts on the manufacture of single parts are necessary.

To make the long story short, without the industrial support from Serbia, PRETIS would be a dead factory.

The Marko Oreskovic factory of Licki Osik was a reserve for PRETIS. It regularly manufactured the 120-mm light camouflage mine with instant effect [trenutacno-fugasna mina], and the war plan also envisaged it manufacturing howitzer shells. From the point of view of technology, this factory was 10 years behind PRETIS. A part of the factory in Licki Osik is in Croatian hands today. It is assumed that the Serbs took the presses and the most important machines from the part of the factory they control and transported them either to Serbia or to the occupied territory of Bosnia-Herzegovina.

Infantry ammunition (up to the 12.7-mm caliber) was manufactured in Bosnia-Herzegovina in the Pobjeda Factory of Gorazde (cases and propellants) and in the Igman factory in Konjic, which are not controlled by the Serbs. The Igman factory used to manufacture several million bullets a day. Today, the Serbs have only TVIK in Knin, a bolt factory, which is the reserve plant of the Konjic factory.

Primarily infantry ammunition is manufactured in Knin. They most probably receive the propellant from the Milan Blogojevic factory of Lucani, if this plant remained undamaged. They got the professional help, some of the machines, and the documentation from Serbia, from the Prvi Partizan factory of Uzice.

Propellant Paid for With Wood

Today, TVIK manufactures infantry ammunition up to 7.9-mm caliber and 9-mm pistol ammunition, which covers only some of the needs of the Bosnian Serbs' Army. The annual output of this factory can hardly achieve the 14-day output of Igman before the war.

Information about the acquisition of 10 million bullets of various calibers from the so-called Federal Republic of Yugoslavia also proves that there are problems with the manufacture of infantry ammunition. The Bosnian Serbs do not manufacture ammunition for antiaircraft guns. They buy it from the Sloboda factory of Cacak. They bought 85,000 pieces of ammunition for antiaircraft guns of various calibers, which was paid for with various wood products.

Handgrenades and various artillery shells that are not produced in the so-called Srpska republic are ordered in Serbia, including rifle grenades, mortar shells, antiinfantry shells...

In the workshops at the tank testing ground in Zaluzane near Banja Luka, the M-84 tank, manufactured in Djuro Djakovic of Slavonski Brod, was being completed just before the war started; electronic equipment was being installed and the final testing was underway. These workshops are used for tank repairs today. Some of the equipment taken from the Institute for Gun and Tank Repairs of Bregana [Croatia] were taken there. The manufacture of the M-80A armored vehicle was probably organized within the Zaluzani workshops.

The Banja Luka Jelsingrad factory for the manufacture of metal-working machines is an important link in the military industry chain. If it has all the necessary raw-materials, it can manufacture presses for the ammunition manufacture. The INCEL Industry of Cellulose manufactures materials for the packing of ammunition.

Gun barrels must be exchanged at certain time intervals. A tank gun, even if it is well maintained, is disposed of after having fired 600 shells; in other words, a new barrel has to be installed. Therefore it is important for the Bosnian Serbs to solve the problem of the manufacture of artillery barrels. However, they lack large forging facilities. There are large presses in PRETIS, but they are not adequate for forging gun barrels, and the largest forging press remained in Zenica, which they do not control.

Gun Barrels From Serbia and Russia

The Ilijas Ironworks could take over the manufacture of this important element, on condition, however, that they get good quality steel. Ilijas has several machines that can manufacture modern gun barrels of up to eight meters in length. Ilijas has the equipment needed for the manufacture of barrels, except for the equipment for their rifling.

The rifling could be done at the FAP factory in Priboj on the Lim River, to where some equipment and experts were transferred from the BNT immediately before the war started. In the meantime, however, the manufacture of large-caliber rifled barrels was accepted by FAP.

The problem is, however, that the Ilijas Ironworks do not work. First of all, it is situated close to the front, and, second, there are technological problems. The Pale Serbs, therefore, buy ready-to-use barrels in Serbia or Russia.

The Sarajevo ZRAK factory was the most important military factory for the manufacture of optical instruments for guns, tanks, and mortars in the former Yugoslavia. At the Teslic ZRAK plant of that factory, all optical instruments, except for laser instruments, can be repaired. The Bosnian Serb military industry can manufacture certain modern fire-control systems by the cooperation of Rudi Cajavec, Kosmos, and ZRAK.

Apart from TVIK and Marko Oreskovic, three plants that can be used for manufacture of weapons remained in the occupied parts of Croatia.

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Mortar barrels can be manufactured in the hydraulic cylinder factories in Obrovac and in Dvor na Uni. The machines for the manufacture of hydraulic cylinders, which are also used for the manufacture of mortars, were transferred to Dvor na Uni from the ironworks in Sisak before the war.

Within the rebuilding program of the Obrovac factory after the aluminum oxide factory went bankrupt, some of the equipment for the manufacture of recoil-reducing devices for tanks and devices for barrel repositioning were transferred from Djuro Djakovic of Slavonski Brod to Obrovac.

The largest maintenance plant of the Sisak ironworks was in Glina. There are machines there that can manufacture any machine part for cylinders and presses, and there is also the technology for the manufacture of tank gun covers. This equipment was transferred from Sisak to Glina some 15 years ago....

Serbia and Montenegro have not stopped supporting the Bosnian and Croatian Serbs with abundant logistical and industrial help for a moment. Without help from Montenegro and Serbia, they would not be able to manufacture anything of importance in their plants; they get energy, experts, raw materials, spare parts, and also final products to a large extent from the so-called Federal Republic of Yugoslavia.

The key problem of the Serb military industry is energy.

Large quantities of energy are necessary for the work of machines in the military industry, such as huge presses, furnaces, or lathes. The agreement according to which the occupied Croatian areas will be connected to a part of the Croatian energy-supply system—in other words, they will get oil and electricity from Croatia—is therefore disastrous for both Croatia and Bosnia-Herzegovina.

UN: Government Forces' Advances in Central Bosnia

AU3003081195 Paris AFP in English 0800 GMT 30 Mar 95

[FBIS Transcribed Text] Sarajevo, March 30 (AFP)—Bosnian Government forces have advanced several kilometers (miles) in central Bosnia, but remain pinned down in the northeast where a battle is on for control of a television relay tower, the UN Protection Force said here Thursday.

Citing reports from the two warring parties, Major Herve Gourmelon said government forces appeared to be in full control of Paljenik peak in the Vlasic mountain range of central Bosnia and had advanced "several kilometers" westwards. Bosnian Serb forces might have destroyed a television relay tower in the area before withdrawing, sources here said.

In the northeast, near Tuzla, fighting continued overnight around the Stolice peak, an indication that government forces had still not captured the television relay station there. The two relay stations were considered of strategic importance because they allowed for direct communications between Serb forces in the western and eastern parts of the country.

Meanwhile, a Dutch UN soldier was killed Wednesday evening, some 10 kilometers (six miles) south of Stolice, when his observation post was hit by a shell. It was not immediately known who had fired the shell.

In fighting in the north of Bihac pocket, in the northwest of the country, shelling was reported around Velika Kladusa.

Shelling of Observation Post 'Probably Deliberate'

AU3003115395 Paris AFP in English 1120 GMT 30 Mar 95

[by Francis Curta]

[FBIS Transcribed Text] Sarajevo, March 30 (AFP)—A shelling attack that killed a Dutch UN soldier at an observation post in northeast Bosnia was probably deliberate, the UN Protection Force (UNPROFOR) said here Thursday.

This brought to 84 the number of peacekeepers killed in the three year Bosnian war. The unnamed Dutch soldier, one of 1,600 deployed by the Netherlands in the former Yugoslavia, was manning an observation post near Kalesija, where fighting between government and Serb forces has picked up again. He was killed Wednesday evening by a direct shell hit, UNPROFOR spokesman Alexander Ivanko said.

"There's a high probability that this tragic incident was a result of direct targeting of UNPROFOR by one of the warring parties," he added. An investigation, involving analysis of the craters left by two artillery or mortar shells, was being held Thursday in an attempt to identify the side responsible.

In the past it was "mostly the Bosnian Serb Army which attacked UN forces, but right now it's impossible to say," Ivanko said. Two more UN observation posts reported shell explosions close to their positions on Wednesday, another near Kalesija and one further north, in the Doboj area, where fighting has also increased, according to UNPROFOR military spokesman Major Herve Gourmelon.

UN observation posts have repeatedly been targeted all over Bosnia, he added. Tension between UN forces and the warring parties is very high in northeast Bosnia, where government forces launched an offensive on the hills surrounding Tuzla 10 days ago, in direct breach of a four-month truce concluded at the start of the year, informed sources said here. Government forces are preventing UN observers from monitoring active frontlines in much of the country, sources added.

Meanwhile, Ivanko said there was only so much UNPROFOR could do if the warring parties insisted on

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fighting. "We do not have the mandate, nor the equipment and resources to enforce peace," he said.

The current truce runs out at the end of April and the United Nations has repeatedly warned that renewed fighting threatens to plunge the whole region into war.

Meanwhile, Bosnian Government forces have gained several kilometers (miles) in central Bosnia, but remained pinned down in the northeast where a battle is on for control of a television relay tower. Citing reports from the two warring parties, Gourmelon said government forces appeared to be in full control of 1,933 meter-high (6,300 foot) Paljenik peak in the Vlasic mountain range of central Bosnia and had advanced "several kilometers" westwards.

Bosnian Serb forces might have destroyed a television relay tower in the area before withdrawing, sources here said. Fighting had continued overnight around the 900-meter-high (3,000 foot) Stolice peak, east of Tuzla, an indication that government forces had still not captured the television relay station there.

The two relay stations were considered of strategic importance because they allowed for direct communications between Serb forces in the western and eastern parts of the country. Fighting also continued in the north of Bihac pocket, in the northwest of the country, but poor weather conditions and heavy snow appeared to be hampering military activities elsewhere.

HDZ Officials Visit HVO Units in Bosnia

95P20669A

[FBIS Media Note] The 24 February issue of HRVATSKI LIST, a weekly published by the Herceg-Bosna authorities in Mostar, carried an account of the visit of Dario Kodric and other Croatian Democratic Community (HDZ) leaders to Croatian enclaves in Bosnia. The 1,200-word report described an arduous journey from Mostar through Muslim-controlled territories, meetings with local HDZ officials, the ethnic composition of the population, and visits with two Croatian Defense Council (HVO) units.

The first visit was with the 5th Batallion in the ethnic Croatian village of Drijemac (place name as published-),located about 35 kilometers west of the Drina river, which forms the border with Serbia. According to HRVATSKI LIST, the 5th Batallion consists of 380 troops under the command of Josip Knezevic. It is the only Croatian unit remaining in Drijemac following the dissolution of the 115th Zrinjski Brigade. Its soldiers wear no insignia. Located in the immediate vicinity is Piper Hill, from which members of the unit are able to observe Ugljevik and the entire Semberija region between the Sava and Drina rivers.

The second visit, HRVATSKI LIST reported, was to the Brcko-Ravne commune (opcina), a 275-square-kilometer area of 30 villages inhabited by 25,173 Croats that is home to the 108th HV0 Brigade. Its soldiers, who, in contrast to those of the 5th Batallion, wear insignia, operate along the Serb-held Posavina corridor. The paper noted that the town of Brcko is located only four kilometers from the brigade's observation post. The unit has been observing the 24 December cease-fire, but the HRVATSKI LIST reporter was told that everybody was eagerly awaiting the command to cut the corridor, "the lifeline to Greater Serbia," and annex it to the Posavina canton.

Serbs Expect Attack on Brcko Corridor

95BA0199B Belgrade VECERNJE NOVOSTI in Serbo-Croatian 7 Mar 95 p 5

[Article by B. Maric: "Sava Valley Under Attack"]

[FBIS Translated Text] The agreement on the four-month cessation of all hostilities in the former Bosnia-Herzegovina is being used by the General Staff of the Muslim Army for additional arming of its troops and creation of assault battalions in all brigades!

These two facts, along with the occasional strikes of the Army of Bosnia-Herzegovina on positions of the Army of the Srpska republic [RS], unambiguously suggest the conclusion that the forces of the Muslims of Bosnia-Herzegovina will take the offensive against the RS even before 1 May—when the agreement expires.

If that happens, then the "main" target of Alija Izetbegovic's Army will be the Sava Valley, that is, the "corridor" that links the RSK [republic of Serbian Krajina] and the broad region of Banja Luka to Semberija and the FRY [Federal Republic of Yugoslavia].

Operation "Hercules"

There are numerous elements to support this hypothesis, from the concentration of personnel and weapons in the zone of responsibility of the Tuzla Corps of the Army of Bosnia-Herzegovina, to the importance of the "corridor" to the RSK and RS, to the interests of the Republic of Croatia!

Nearly 30,000 Muslim soldiers have been brought together in the zone of responsibility of the Tuzla Corps of the Army of Bosnia-Herzegovina. Two brigades of the 1st, Sarajevo, Corps of Izetbegovic's Army have also been moved to the vicinity of Tuzla as a strategic reserve.

Since 10 February, weapons, ammunition, and other military equipment to supply the Muslim Army have been advanced daily to the airfield at Dubrave near Tuzla under protection of NATO fighters and bombers.

The airfield at Dubrave was selected to carry out Operation "Hercules" for two main reasons: first, the military equipment is being advanced directly to the Muslims, so the Croats are unable—as they did earlier—to take most of the military equipment intended for the Army of Bosnia-Herzegovina by way of "a highway toll."

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Second, delivery of the armament to the airfield at Dubrave concentrates it where the Muslims need it most, that is, in the area from which units of the Army of Bosnia-Herzegovina will begin what is perhaps for them a decisive offensive against the RS army.

Aside from what they have received in the "Hercules" planes, with even Hind combat helicopters mentioned, the Muslim troops already have 122-and 152-mm howitzers aimed in the direction of the Sava Valley, reinforced tank companies located in Celic, multiple-rocket launchers made in China, and Red Arrow antiarmor missile systems....

Frontal Strike

At the same time, from the broad area around Orasje, which is held by the Croatian Defense Council [HVO] and Croatian Army [HV], five brigades of the HVO, a tank battalion of the HV, and its battalion of military police stationed in that part of the Sava Valley since the beginning of the war in Bosnia-Herzegovina can move toward the "corridor."

The Croatian troops are counting on support from the HV artillery dug in in Spacvanske Sume and multiple-rocket launchers with which the HV on the left bank of the Sava has already hit both Brcko and positions of the RS army in the Sava Valley on several occasions.

Croatia's interest in the fall of the Sava Valley is more than obvious. If it is taken, not only the western parts of the RS, but also the RSK, would be put in an extremely difficult position, and in that case the latter would be deprived of assistance from everyone.

If they attack the "corridor" and the Sava Valley, and there is every indication that they will, the Muslim and Croatian troops will undertake a frontal attack along the entire line of contact with the RS army. After all, it is only with that kind of tactic that they can achieve "depth of territory" for the "momentum" of their troops.

Before the strike against the "corridor" and the Sava Valley, the Army of Bosnia-Herzegovina, the HVO, and the HV will carry out "limited actions" against the RS and RSK, which would have a single objective: to prevent concentration of Serbian forces in the area in which their adversaries will make their all-or-nothing move in the Bosnia-Herzegovina war, and probably also in the Krajina-Croatian war.

Serb Volunteer Tried for Vukovar Killings

95BA0200D Zagreb VJESNIK in Serbo-Croatian 8 Mar 95 p 32

[Article by Snjezana Canic: "Trial of Individual Accused of Killing Vukovar Wounded"]

[FBIS Translated Text] Osijek—On Tuesday, the Zupanija Court in Osijek began the trial of Ivica Vuletic (26), a Serb from Omonjica near Pancevo, on charges of killing civilians and wounded people from the Vukovar hospital, thus committing a war crime against the civilian population and the wounded. Also present at the trial was the president of the Croatian Supreme Court, Milan Vukovic, with his associates. In fact, the International Court in The Hague is also interested in this trial; its representatives were invited, but could not come because of other obligations.

The indictment charges Ivica Vuletic with torturing and liquidating Croatian wounded and civilians in Aljmas, Bijelo Brdo, Sarvas, and Vukovar, killing more than 50 people, in the fall of 1991, as a member of the "Red Berets" special-purpose volunteer paramilitary units. According to the indictment, in the Vukovar hospital he killed three wounded people, and in the Ovcara forest he killed another 50 or so civilians and wounded from the Vukovar hospital.

During the discussion, the defendant retracted everything he said during the investigation, claiming that the Varazdin police had forced him to make that statement. On Tuesday, the court heard several witnesses, mostly soldiers who survived the wartime terrors of Vukovar and Serbian camps. Several of them recognized Vuletic as a guard in the camps. The trial is continuing.

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Sarinic on Results of Zagreb Agreement

LD2903202895 Zagreb HTV Television in Serbo-Croatian 1730 GMT 29 Mar 95

[Interview with Hrvoje Sarinic, head of the president's office, by Zeljko Rajic; place and date not given—recorded]

[FBIS Translated Excerpt] [Rajic] As someone who signed the Zagreb Agreement and who worked on implementing it, where would you say its success lies now, a year hence?

[Sarinic] You see how time flies. My memory of that turbulent and long night is still fresh. Now we can see the results of what we signed. Well, a year ago there was war and the policy of the Republic of Croatia continued to be based on the peaceful reintegration of the occupied territories. Necessary conditions, a framework, had to be created if we were to pursue our efforts toward normalization. The Zagreb Agreement was the key point that helped us to proceed toward achieving full normalization, with emphasis on economic facilities. Unfortunately, we did not agree on normalization before 2 December 1994, despite the fact that during the signing of the Zagreb Agreement it was agreed that talks on economic issues and full normalization would resume in two weeks' time. [passage omitted]

I can tell you that we have been working very intensively to open the railway line to Mirkovci and Tovarnik, and then to Belgrade, Thessalonika, etc. Judging by the current situation, I think that the railway line will be opened as early as in a week's time or in about ten days.

As one of the signatories of the agreement, I am satisfied. I think that all those who initially attacked the signing of the agreement as an act of treason, have now realized that it was the only way of achieving a peaceful reintegration, or rather using all available opportunities to achieve it.

[Rajic] The latest events in Croatia and the world, especially Croatia's termination of the UN Protection Force's mandate, are creating new conditions for action.

[Sarinic] You see, this agreement will be one of the basic frameworks, within which the new UN mandate currently under discussion can be realized. This means the agreement on the cessation of hostilities will be in effect, because the next stage is the start of political talks. Peace and a cease-fire are necessary to achieve this. I think that this agreement is still topical today and creates the necessary conditions for taking further steps. I also think it will be one of the bases—the agreement on the cessation of hostilities—of the new mandate.

[Rajic] Mr. Sarinic, thank you very much for the interview.

[Sarinic] Thank you.

UN: Zagreb Campaigning for Deployment of NATO

LD2903163095 Belgrade TANJUG in English 1554 GMT 29 Mar 95

["Pool" item]

[FBIS Transcribed Text] Vukovar, March 29 (TANJUG)—U.N. Civilian Affairs Coordinator in Sector East Philip Corwin said Wednesday that Croatia's endless misinformation campaign was part of an effort to prompt deployment of NATO troops to control its internationally recognized borders.

Speaking at a news conference in Vukovar, town in eastern Serb Krajina, Corwin said one such misinformation was Zagreb's allegation that a 500-strong Yugoslav force had recently crossed the Danube and entered eastern Slavonija, which is part of Serb Krajina and Sector East, one of the four U.N. Protected Areas (UNPAS). UNPROFOR [UN Protection Force] had denied the allegation on Monday.

Corwin said they understood the Croatian people's frustration, but said Croatian officials' irresponsible statements did not serve peace. Instead, he said, the statements served those who believed that they would make profit in the war. Commenting on debates over the extension of the UNPROFOR mandate in that former Yugoslav republic, Corwin said he did not believe the U.N. Security Council would take a decision that would not be first approved by both Croatia and Serb Krajina.

Corwin said Croatia wanted U.N. military observers, deployed on bridges between Serbia and Sector East, to be allowed to use force in order to prevent the crossing into UNPAS, but said the international community was not really willing to comply with Croatia's desire. Croatia's basic goal is to use international forces to make its internationally recognized borders airtight, he said.

Moreover, Croatian press' unscrupulous campaign against UNPROFOR which is offensive and teaming with lies—goes on, he said. The campaign has stirred up acute antagonism toward UNPROFOR so that people there simply hate its members, he said. U.N. Information Officer in Sector East Kirsten Haupt said Serbian and Yugoslav media's attitude toward UNPROFOR was extremely correct.

Haupt said the situation in Sector East was very tense, saying violations of the Zagreb ceasefire agreement had become increasingly frequent. Moreover, both sides' engineering units are busy fortifying their positions, she said.

Serbs in Croatia proclaimed their own state, the republic of Serb Krajina, in 1991, after Croatia launched a war of secession from the former Yugoslavia and erased Serb national rights from the Croatian Constitution. The territory of Serb Krajina was placed under U.N. protection in the spring of 1992 and divided into four sectors—

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east, south, north and west. Despite that, Zagreb has launched three offensives against Serb Krajina since then in an attempt to integrate it into Croatia by force.

Military Attaches Briefed at Defense Ministry

LD2903172695 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 29 Mar 95

[FBIS Translated Text] The office in charge of military attaches and the protocol today organized the second military and diplomatic briefing of the military attaches accredited in the Republic of Croatia. The briefing was held in the Defense Ministry of the Republic of Croatia. Brigadier Miro Andric, the head of the office, welcomed the military attaches in his introductory speech. The military attaches were then addressed by Brigadier Ivan Tolj, the head of the Defense Ministry's Political department, and Rear Admiral Davor Domazet, the head of the Intelligence Department.

Brigadier Tolj spoke about the current military and political situation in Croatia in the context of the decision of the president of the republic to terminate UNPROFOR's [UN Protection Force] mandate, and about the Copenhagen Agreement between President Tudjman and U.S. Vice President Gore. Tolj also presented the assembly's conclusions concerning the UNPROFOR mandate and commented on UN Secretary General Butrus-Ghali's report. He also spoke about Croatia's diplomatic efforts to implement the Copenhagen Agreement. In conclusion, the head of the Political Department said that the Republic of Croatia was working hard on a peaceful solution, which is in line with international efforts to reintegrate the occupied Croatian areas by peaceful means.

The military attaches asked Brigadier Tolj about the Law on Armed Forces, recently endorsed by the assembly of the Republic of Croatia, which were under preparation for two years and is coordinated with the most modern laws existing in the world's most democratic countries.

Rear Admiral Domazet commented on his predictions concerning the development of the military and political situation that he presented at the last briefing, and informed the attaches about the current situation on the battlefields in Croatia and Bosnia-Herzegovina. He also gave his views on the possible development of events.

In conclusion, he said that the balance of military forces was continually changing to the Serbs' disadvantage. This has caused changes in Serb policy and a daily downgrading of their goals. The recent events on the battlefields in Bosnia-Herzegovina and daily violations of the Zagreb [cease-fire] agreement, with a certain concentration of forces, especially in Sector East, as well as the reorganization of the Yugoslav Army, indicated that Serbia has probably downgraded its political goals, which are now the complete control of the Danube and Drina Rivers, or in other words, a lasting occupation of the eastern parts of Croatia and Bosnia-Herzegovina. It can be concluded that the slightest action by any of the warring sides in the region will mean a large-scale war. In that context the western battlefields will be used only to keep up tensions and to destabilize our territories.

Answering questions by the military attaches, Admiral Domazet commented on the exercises of the Yugoslav Army and the Croatian Army in the Prevlaka area, and on the positive steps in the organization of the Bosnia-Herzegovina Army, to which the Bosnian Serbs do not have an adequate response.

After the briefing, Brigadier Tolj and Colonel (Loy Day), the doyen of the military diplomatic corps, made brief statements commenting on the recent events and their cooperation.

Martic Insists on Participation in UNSC's Work

LD3003091695 Belgrade TANJUG Domestic Service in Serbo-Croatian 0751 GMT 30 Mar 95

[FBIS Translated Text] Belgrade, 30 Mar (TANJUG)—Milan Martic, president of the republic of Serbian Krajina [RSK], has sent a letter to Li Zhaoxang, president of the UN Security Council, expressing his concern over not receiving a reply to Knin's request for an RSK representative to attend the Security Council session at which the future of the UN Protection Force [UNPROFOR] will be discussed.

"The RSK accepted the Vance plan and the UN Protection Forces on its territory, and demands that its stances on the future role of the peace forces be respected."

"I would like to remind you that Article 39 of the Security Council's rules of procedure provides for our participation in the work of the Security Council. The Republic of Croatia's arguments on UNPROFOR's role are not based on fact and are unacceptable to Serb Krajina," the RSK president wrote in his letter, also forwarded to TANJUG.

Serb, Croat Military Representatives Hold Talks

LD2903205995 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 29 Mar 95

[FBIS Translated Text] Representatives of the Croatian Army and local Serbs held a meeting at the UN peace forces' base at Stari Grabovac near Novska. This was the first meeting after a long break in the talks between the two sides in western Slavonia. Brigadier Luka Djanko, commander of the Bjelovar operational area, described the talks as useful because both sides agreed to solve all controversial issues by peaceful means. They arranged another meeting to take place in 15 days when a joint unit for mine clearance in western Slavonia would be formed.

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Drnovsek: Evictions From Army Flats To Stop

AU3003092695 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 29 Mar 95

[FBIS Translated Text] The March inflation is under 5 percent, Slovene Prime Minister Janez Drnovsek said at a news conference today, adding that this has been the lowest price increase to date. The prime minister expects the social agreement and the agreement on this year's wage policy to be signed on 31 March. He also advised the Defense Ministry today to stop evictions from army-owned flats until further notice. Sandi Frelih has the details on the news conference:

[Begin recording] [Frelih] At the beginning of the news conference, Janez Drnovsek said that the coordination of the budget this year was more difficult than heretofore, due to the new budget provisions and additional charges. He added that for that reason, regular items had to be adjusted. The coalition partners agreed that, in the further parliamentary debate, they will try to keep the planned amount of 510 billion tolars.

Ministers cannot use the budget resources to advance their careers.

[Drnovsek] Ministers must comply with government decisions, if they want to remain ministers.

[Frelih] The prime minister said that the social agreement is larger than it was last year and that it includes all elements of this year's economic goals. The 5-percent increase in gross domestic product, a 3 percentage point decrease in public spending, and limiting wage increase to between zero and 2 percent count as economic results.

In reply to correspondents' questions about current topics, Drnovsek announced measures for reducing taxation on the economy, for instance the law on rate of interest with [words indistinct], possibilities of delaying taxes and contributions according to agreed measures, and the improvement of loans for exports. Negotiations with the consortium of commercial banks have still not concluded and will, after the conference our negotiators will hold in Ljubljana at the end of this week, resume in New York.

Speaking about the interpellation against the justice minister, Drnovsek said that the State Chamber will decide on the case. It involves a complex issue in which, after confronting legal, property, and other elements, there may only be a substitution of authority among the legislative, executive, and judiciary spheres. He does not want to lose the minister herself and does not have a ready replacement. Politicization is not wanted, and this should be understood as support for the government member.

Drnovsek also said that the Liberal Democracy's caucus expressed formal support for Lojze Peterle's candidacy for chairman of the Parliamentary Committee for International Relations. Of course, the deputies are going to make a decision at the debate.

After this, the prime minister said that he had advised the Defense Ministry today to stop evictions from army-owned appartments until further notice, and added the following:

[Drnovsek] After this, courts should be told to stop the procedures. Let us add that the debate [words indistinct].

[Frelih] Drnovsek also said that a many cases of (?moving in) were unlawful, that military organs had mostly allocated them for speculative reasons, and that each case would have to be examined separately. [end recording]

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Federal

Perisic Blames NATO for War in Balkans

AU2903195195 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 29 Mar 95

["Excerpt" from interview with Colonel General Momcilo Perisic, chief of the General Staff of the Army of Yugoslavia, by Svetomir Mirkovic; place and date not given—recorded]

[FBIS Translated Text] [Mirkovic] Are you as a professional soldier, as a man at the helm of the Army of Yugoslavia, I am not going to say afraid of NATO, but in any case following what is happening at our borders, and is there any real danger for the country at all?

[Perisic] Naturally, this region, the Balkans, the region in which the Federal Republic of Yugoslavia and the secessionist republics are situated, is very interesting for the creators of the new world order. The creators of this new world order wanted to expand the sphere of NATO's influence eastward and still want to.

On their way eastward, our people stood in their way. Our people did not want to be part of the scenario of interest of the Western powers and naturally, because of that, war conflicts occurred. The enemy, that is, the creators of the new world order, skillfully exploited the antagonistic contradictions on the territory of the Socialist Federal Republic of Yugoslavia. They initiated these contradictions that escalated into war conflicts.

Naturally, in realizing their aims, they above all wanted to exploit the population in this region to do many things for them, especially to realize their aims in this region. Unfortunately, many internal elements, who thought that they were the creators of something new, fell for this scenario of the creators of the new world order and, sacrificing their people, are directly helping the realization of the interests of the creators of the new world order. The main force behind the realization of the interests of the creators of the new world order is NATO. NATO is primarily being used to act as a threat. NATO has so far not been engaged as there are internal forces that are carrying out certain activities for NATO's interests. NATO serves only as some kind of moral support, as a logistical support, and is used only in some incidents, such as the bombing around Gorazde, Bihac airport, and so forth.

Therefore, a real danger from NATO in this region does exist. However, considering that the NATO member countries are not very willing to send their soldiers to this region, the region does not face a real major danger from NATO if we are unified and if we put an end to the current scenario, that is the engagement of our people from this region in the realization of NATO's tasks and role.

Correspondents Suggest Dinar Value Stabilizing

AU2903153695

[FBIS Editorial Report] Belgrade Radio Beograd Network in Serbo-Croatian at 1300 GMT on 29 March carries within its regular 42-minute newscast several reports on the state of the national currency, the dinar, following its sudden fall in value against the German mark on the black market over the past few days.

According to Kragujevac correspondent Zoran Glisovic, "the foreign currency black market has been restrained only two days after the German mark was being bought here by dealers for 2.5 and sold for 2.8 dinars. Hardly anyone is involved in these dubious dealings today. Some dealers who had increased their prices have not reduced them to their previous level, but will do so as soon as the lack of confidence that is still being felt is restored. Everyone was, as they say, simply surprised by the unexpected situation and cannot work out who had caused it. They expect the situation to return to normal." According to Glisovic, "the latest news from Kragujevac and Svilajnac is that a German mark costs two dinars and that no one is buying or selling."

Reporting from Novi Pazar, Biljana Dukic says that "last weekend the German mark was worth three dinars on the Novi Pazar foreign currency black market. This ratio started to change yesterday and today came down to the level that existed recently. Dealers are selling German marks for 2.2 dinars and buying it for 2 dinars." Dukic then says that "this morning, a German mark was offered for 2.3 dinars but no one was interesting in buying it as its value was expected to drop, which did happen."

Podgorica correspondent Miodrag Vukovic reports that the "Montenegrins felt relieved only this morning, at least as far as the gray economy and the black market are concerned. The fear has been dispelled that new, perhaps even more rampant inflation than the one that existed last year will return and destroy their lives, which have now been organized to some extent. After the dizzying rise in the value of the German mark against Avramovic's dinar two days ago, when a German mark was trading for 4 dinars, encouraging news has arrived from the foreign currency black market. Street dealers are today selling a German mark in Montenegro for 2.4 dinars and buying it for 10 percent less. The inexplicable rise in the value of the German mark against our currency has caused a series of price rises, affecting foods, textile products, and all other goods. Private shops, as well as some socially owned shops, probably out of fear of new inflation, adjusted their prices according to the situation on the black market or simply closed their shops. For instance, in Pljevlja, 13 shop owners closed their businesses. Price increases ranged, on average, between 30 and 50 percent. This primarily affected textiles and ready-to-wear clothes. The Republic Trade Ministry, together with the Ministry of Internal Affairs and market and financial inspectors, reacted very quickly and issued an order yesterday to all shops that unjustifiably increased their prices without prior announcement to remain closed. Yesterday, five shops were closed in Podgorica alone. The shop owners face penalties ranging from a loss of their trading licenses for three months to 1,000-3,000-dinar fines."

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Commenting on the possible causes of the fluctuations in the foreign currency market last weekend, Stojan Zdravkovic, chief market inspector in the Serbian Government, says: "As far as we could work out this weekend, there was no organized pressure by businesses to alter the exchange rate to increase the value of the German mark. In other words, there were no imports or similar factors. If these were the cause, then the cause probably lies either outside the country, or perhaps in some banks, but we cannot claim this with certainty. What we can say with certainty and what our checks confirm is that businessmen are not the cause of this jump in the value of the German mark."

Savovic: Sanctions Endanger Minority Rights

LD2903173995 Belgrade TANJUG in English 1638 GMT 29 Mar 95

[FBIS Transcribed Text] Belgrade, March 29 (TANJUG)—Yugoslav minister Margit Savovic said Wednesday that minority rights were endangered by the U.N. sanctions and not by the will of the state.

Margit Savovic, who is in charge of human and minority rights, said that the entire population was hit hard by the sanctions. In talks with the visiting delegation of the Russian parliament's lower house (the Duma) Savovic said that children were most heavily affected by the sanctions and thanked Russia for its support in demands for lifting anti-Yugoslav sanctions which were introduced in May 1992.

Speaking about the situation in the Serbian province of Kosovo and Metohija, in which Albanians make up the majority of the population, Savovic said that high numbers do not automatically entail privileges of any kind.

The Russian delegation said that it would convey the problems encountered by Yugoslavia to the Russian Parliament and public as well as to international organisations in whose work it takes part, the Yugoslav Information Ministry stated.

The Duma delegation also held talks Wednesday in the Serbian parliament with the chairmen of the foreign affairs and culture and information committees Slobodan Jovanovic and Anica Kozbasic respectively and with deputy Slavica Djukic about efforts invested in settling the Yugoslav crisis.

The two sides agreed that war in Bosnia-Herzegovina can be ended by negotiations and that there is no alternative to peace, a stand adopted by Serbia from the beginning of the crisis in the former Yugoslav republic, the press service of the Serbian legislature said. The Russian Duma delegation was also received by Serbian Education Minister Dragoslav Mladenovic. The guests were interested in the operation of the Yugoslav education system under sanctions and discussed future cooperation of the two countries in the field of education, the Serbian Information Ministry said.

Sainovic Advises Citizens To Save Dinars

AU3003062895 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 29 Mar 95

[Interview with Deputy Federal Prime Minister Nikola Sainovic by Goran Maslar; place and date not given—recorded]

[FBIS Translated Text] [Maslar] Mr. Sainovic, can you say for the Dnevnik program of the Radio and Television of Serbia what the Federal Government is doing with regard to the protection of the dinar, and can you give us your assessment of the current situation?

[Sainovic] Regarding the events that we had in the past few days, they represent the fourth or the fifth consecutive attack, if I may say so, on the exchange rates. This attack clearly comes from speculative circles that are trying to earn dinars—the very dinars that they are attacking—through the panic and confusion of both citizens and a certain number of businessmen.

It is clear that the policy of all three governments, (Yugoslav, Serbian, and Montenegrin) and the National Bank, as far as the monetary part of the economic policy is concerned, is implemented absolutely firmly. No new money will be printed, there will be no devaluation, there will be no dinars to pay for a new exchange rate and new prices.

Therefore, my general advice to citizens is to save dinars, and to the businesses to reduce prices and sell goods. This is the only way to earn money. Everything else would be a mistake, everything else would lead us to a disaster.

The Federal and the Republic Government and the National Bank will prevent such activities with unified, joint measures.

Serbia

Milosevic Not To Meet Serbs Loyal to Izetbegovic

LD2903162395 Belgrade TANJUG Domestic in Serbo-Croatian 1536 GMT 29 Mar 95

[FBIS Translated Text] Belgrade, 29 Mar (TANJUG)—Slobodan Milosevic, president of the Republic of Serbia, will not receive a delegation of the so-called Serb Civic Council [SNV] from the Muslim part of Sarajevo, SRNA has learned from President Milosevic's office.

The seven-member delegation of "the Serbs loyal to Izetbegovic," which is on visit to Podgorica today, expected to be received by President Milosevic and to discuss with him the mutual recognition of former Bosnia-Herzegovina and the Federal Republic of Yugoslavia.

The Montenegrin authorities in Podgorica also refused to see the SNV delegation today.

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Businesses Optimistic Despite 'Great Difficulties'

AU3003074895 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 29 Mar 95

[Report by Olivera Stajic]

[FBIS Translated Text] The results of this month's research by the Institute for Market Research show improvements in the overall economic situation, a certain increase in the population's purchasing power, a slight increase in production, and a somewhat smaller rise in prices. Expectations for the period ahead are still optimistic. Olivera Stajic reports from a news conference:

[Stajic] The business climate in approximately 300 companies involved in the research is considerably more favorable than in the last few months. The total earnings of the population—salaries, compensations, and pensions—are nominally greater than the rise in prices, and their real purchasing power has therefore increased. [sentence as heard] The result of this trend is the increases in the demand on the domestic market and orders.

Despite this, the economy still faces great difficulties. Illiquidity is becoming increasingly prominent. Accrued but unsettled debts have risen by 6 percent. Businessmen complain about significant outlays for public expenditure. Their liability to the state for every net dinar earned is 1.68 dinars. The current pace of generating public revenue indicates that the fiscal burden will affect nearly 60 percent of the planned gross domestic product [drustveni proizvod]. The total income of the population, however, is by one-fifth greater than spending (davanje], which indicates that a good proportion of funds comes through illegal transactions.

Businessmen are optimistic though. They expect relaxation in restrictive measures of the economic policy, ranging from the credit to the wage policy. About 60 percent of those taking part in the research expect industrial production to rise, 17 percent of them expect prices to rise in the next three months, while 2 percent believe they will fall. Raw materials and other production materials are expected to rise most. The common view of the businessmen is that the recommendation of the Republican Government regarding the return to old prices have not been fully complied with.

Parties Disagree About Bosnian Settlement Plan

LD2903202395 Belgrade TANJUG in English 1911 GMT 29 Mar 95

[FBIS Transcribed Text] Belgrade, March 29 (TANJUG)—Two Serbian parliamentary opposition parties on Wednesday voiced diametrically opposite views on the plan of the five-state 'Contact Group' for Bosnia, ranging from outright rejection to full support.

Vojislav Kostunica, who heads the Democratic Party of Serbia, said the Contact Group was proverbially biased against the Bosnian Serbs, which it had again proved when it cautioned the warring sides only after the Bosnian serbs had responded to the Muslim offensive.

Early last week, Muslims mounted an offensive against Bosnian Serb defenses and localities on Mt Majevica in the northeast and Mt Vlasic in central Bosnia, violating a four-month cessation of hostilities agreement which was due to expire on April 30.

Kostunica was skeptical about the chances of the latest peace initiative presented to the Contact Group by Russian Foreign Minister Andrey Kozyrev. Kostunica said the plan was unrealistic, because the United States, the most powerful member of the Contact Group, did not agree with the Russian proposal for immediately lifting the sanctions against the Yugoslav Federation of Serbia and Montenegro.

As different from Kostunica, opposition Civil Alliance Vice President Zarko Korac said that the only course of action open to the Bosnian Serbs was to accept the Contact Group plan as the 'only peace solution put before the citizens of Bosnia-Herzegovina.' The Bosnian Serbs' refusal to accept the plan has led to the escalation of war in Bosnia, and the Serbs cannot hope for anything good to come from more war, Korac told a press conference.

Government Cites 'Policy of Peace' in Report

LD2903221395 Belgrade TANJUG in English 2117 GMT 29 Mar 95

[FBIS Transcribed Text] Belgrade, March 29 (TANJUG)—Debate on the Serbian Government annual report to the Republican Government Wednesday was characterized by opposing views of the deputies from the ruling party and the opposition parties.

The ruling Socialist Party of Serbia whip, Milorad Vucelic, said the government enjoyed the support of the citizens of the Republic because it had pursued a policy of peace, implemented an economic program and secured rule of law. Through its policy of peace, the government did the best it could to help the Serb people in the Bosnian Serb republic and the republic of Serb Krajina, said Vucelic. He pointed out that this support could only have been provided by a strong and stable Serbia, where there was peace and this support had never come into question.

On behalf of the New Democracy Party, the partner in Serbia's national unity government, Zarko Jokanovic said the government had achieved its program goals and eliminated, for the first time after a number of years the budget deficit and improved the citizens' economic standing. Deputy of the opposition Serbian Radical Party Jorgovanka Tabakovic criticized especially the part of the government report which said there was no budget deficit.

Opposition Democratic Party whip Zoran Djindjic said the government has contributed to deterioration of the economic situation in the republic because its had introduced 70 regulations thereby continually changing the conditions

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for economic activity. Opposition Serbian Renewal Movement whip Vuk Draskovic said the republic needed a government capable of taking wise decisions so as to have the compehensive and binding international community's sanctions against Yugoslavia lifted. [words indistinct] was a must if there was to be a revival of the Yugoslav economy, he said.

Criticism of the government was joined by leader of the opposition Democratic Party of Serbia Vojislav Kostunica, who said that reality contravened the government report, which should be denied support because, as he said, it concealed many problems in the Republic.

Serbian Prime Minister Mirko Marjanovic addressed the parliament in the afternoon for the second time and, rejecting the accusations of the opposition, stressed that no one could deny the government—under the conditions of sanctions imposed in 1992—the results it attained with regard to curbing inflation and effecting a rise in living standards. The debate on the government's annual report continues Thursday.

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